THE FINANCIAL POST

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THE PRESIDENTIAL CHANGE WILL NOT AFFECT BUSINESS

Confidence In Coolidge When Elected is Now Recalled

HARVEST PROBLEMS

Crop Estimate Being Amended Because of Conditions — Business Trend Upward Hesitancy in Evidence

Without reflecting on the administration of one of the greatest organizing executives, if least spectacular governors, the United States has known, it may be now stated that when President Harding was elected there was a feeling in the business community that in his vice-president, Calvin Coolidge, was a man of stronger character if not, in fact, greater administrative ability. It is well to recall this when the probable effect on business in the United States—and to a lesser degree in Canada—of the elevation of Coolidge to the presidency is being considered; and it may be added that the developments following the sad end of the Republic's chief executive have tended to confirm the belief that this judgment of the new president is still held. Confidence in a renewal of business activity this fall is indicated.

Most directly Canada is interested in the attitude of President Coolidge towards the reparations situation. We are, of course, influenced by the trend of business in the United States, but more important is the question of a restored buying power in Europe and in this connection the part played by the American government is highly important. It, of course, remains to be seen whether Mr. Coolidge will take the attitude that his duty lies in following out the policy of Mr. Harding or whether there will be opportunities for him to exercise his own judgment on important issues. He has before him the example of Theodore Roosevelt who, in the completion of the term for which McKinley was elected, made for himself a reputation which paved the way to his election to the presidency for the succeeding term. The crisis in German finances and in Anglo-European relations as well as the threatened coal strike promise opportunities for a statesman of big calibre.

Harvest Problems

Developments in the crop situation are being closely followed. As reported by THE FINANCIAL POST last week, the prairie harvest is being impaired by rust and saw-fly. The market price, in which the purchasing power of Europe plays such an important part, is now the dominating factor, and the Canadian crop itself, as supplying a large portion of the exportable surplus of wheat-growing countries, will be a very important influence. Anything to stabilize European credit would, therefore, have a direct bearing on the profits of the Canadian farmer and general conditions throughout the country.

In both Alberta and Saskatchewan experiments with voluntary pools are to be tried. Hard-headed students of the situation do not expect any great benefits from these unless the farmers are prepared to work together and reduce the marketing expenses to some extent. However, as the idea is to co-operate with the banks and not demand public credit for the backing of the scheme, only good can result, either in direct benefits to those who participate or in clearing the air of all the vague talk of the wonders of vague new marketing plans to supplant the existing machinery. The visit of Sapiro, who organized the California fruit growers, to the West has been marked by high hopes in certain quarters that something revolutionary may be accomplished. There is a marked difference, however, between the marketing of fruit where there was no organization before and for which there was a big home market, and the marketing of wheat which is already highly organized and the price for which is set by world competition. Something may be accomplished by organization but it will be in the direction of using the existing machinery rather than in establishing something fundamentally different. This has been the opinion held by the leading grain experts of the West who have refused to carry out the

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Big Crops Indicated for All Three Provinces

The prospects for big crops in Western Canada are indicated by the following smmmary from reports issued by the Canadian Bank of Commerce and compiled on information from the branch managers of that bank. The percentage given for various crops for the three prairie provinces is in relation to the ten-year average which would be indicated by 100:

	Manitoba	Sask.	Alberta
Wheat	133%	156%	169%
Oats	120%	140%	155%
Barley	117%	128%	138%
Flax	121%	138%	138%
Rye	111%	120%	125%

Call For "All Hands" For Harvest Fields

From Our Own Correspondent

EDMONTON — Employment Service has asked the railways to suspend construction operations during harvest time in order to release the men so employed for work on the farms, and to some extent this may be done. Even the school superintendents have been asked to furnish names of able-bodied high school boys who will likely be free to give two or three weeks' work at harvest-time wages.

ROBB EXPECTING EXPORT TRADE TO MAINTAIN RECORD

Drop in Wheat Should Not Affect General Standing

From Our Own Correspondent

OTTAWA.—The drop in the price of wheat, while viewed with regret in that it may reduce to some extent the purchasing power of the western farmers, is not considered by the department of trade and commerce officials as likely to affect very materially the general export trade of the country.

Minister of Trade and Commerce Robb is quite confident in this respect, for he points out that of the total exports last year over 40 per cent. were in the form of manufactured or semi-mnaufactured commodities, and he thinks that the demand for newsprint, pulp and paper, and automobiles, as well as flour, to say nothing of other things, is so good that exports generally cannot very well fall off. It is also pointed out that even if the demand for Canada's wheat should in time fall off in Europe, which time at present seems rather remote, the demand for other things will increase, this being notably true of manufactures. It is thought that in proportion as Russia raises more grain she will need more Canadian farm machinery.

The best proof that Canada's trade is still growing rapidly is found in the figures for certain leading exports during the fiscal years 1921 and 1923. These are for quantities, which are the best measure of production, though many persons seem to quite overlook this fact.

During the fiscal year ending June 31, 1921, Canada exported 139,248,615 bushels of wheat; during the year ending June 30, 1923, she exported 226,671,332 bushels. Exports of butter have grown from 8,646,699 lbs. in 1921 to 22,569,033 in 1923; flour from 6,689,402 bbls. to 10,714,399 bbls.; autos from 16,731 to 56,177; newsprint from 14,106,267 cwts. to 21,058,793 cwts.; wood pulp from 12,063,021 cwts. to 17,648,557 cwts.; wrapping paper from 262,778 cwts. to 431,449 cwts.; sugar from 76,736,142 lbs. to 239,963,688 lbs.; logs from 71,915 million feet to 236,252 million feet; laths from 458,450 to 1,557,613 million feet; planks and boards from 1,355,050 to 2,342,988 million feet.

On the whole, the best-informed opinion here is that a continuous growth in the export trade may be expected, and that this will continue in proportion as the world gets better on its feet. It is also pointed out that Canada's trade, unlike that of Britain's, has not been seriously affected by developments in Europe.

CANADIAN CAR HAS HAD $28,000,000

This is Total of Business On Books During the Present Year

From Our Own Correspondent

MONTREAL.—The latest order for 750 box cars for the national lines, received by Canadian Car and Foundry Company, brought the new orders received by that company during the present fiscal year to $25,000,000. This order, involving about $5,000,000, supplemented previous orders from various sources since October 1 last, amounting to $20,000,000. There was in addition an amount of about $3,000,000 of unfilled orders on the books of the company at the opening of the fiscal year making the total amount of business available for the year about $28,000,000. Orders on hand, it is estimated by company officials, will carry the company's plants forward at the present rate of operations until about October 15, but further orders for rolling stock for the various railroad lines are expected before the present orders are completed. The fiscal year ends September 30.

Even with the present large volume of business the plants are not running at full capacity and some are idle. No foreign orders are being received although in the past orders have been filled from other countries.

No action has been decided upon regarding the arrears on the preferred stock which are now two years or 14 per cent. in arrears. It is felt that the directors may defer a decision on this matter until the orders being received give a semblance of greater permanence.

LARGE AREAS OF FINE WHEAT IN SASKATCHEWAN

Frost Does Some Damage But Has Checked Rust

PROSPECTS LOWERED

Manitoba Free Press Report States that Optimistic Guesses Must Be Considerably Amended

By E. CORA HIND,
Commercial Editor, Manitoba Free Press.

REGINA.—Since wiring you last week have run my mileage well over the two thousand; have covered territory lying along the Weyburn Lethbridge line of the C. P. R., from Assiniboia to Eastend, a distance of some 145 miles, crossed the hill country to the main line, worked it east to Swift Current and north and west up the Empress line for about 90 miles, crossed the South Saskatchewan and worked north to the Canadian National Goose Lake line at Kindersley, down that line 65 miles to Rosetown and then zig-zagged south and east mainly across to Outlook, then north and east to Hawarden and mainly south and east down the Regina Saskatoon line of the Canadian National into Regina. Of course in a territory so widely scattered there are many variations but speaking broadly there are fine stands of wheat in all the territory covered. It varies in conditions from not fully headed to wheat being cut, with the great bulk of it in a condition between milk and soft dough. In all the territory covered this week there has been practically no rust until within 50 miles of Regina to the north when slight traces were picked up.

There has been some frost and no man or woman can tell for the next ten days whether or not these frosts have done serious damage, that they have done some damage is certain because where they occurred there was considerable wheat in blossom and frost that blackens potatoes will assuredly catch wheat in that stage.

Cold Weather Favorable

Taking the week's run as a whole the conditions are distinctly better than those reported last week and the conditions of the crops seem more normal. The weather has been cold

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Some Improvement In Western Business

Knitting mills throughout Ontario have been quiet during July and early August but none of them have closed down, except for regular two weeks' vacation period. Orders from some sections of the West have been much bigger than last year, while from unexpected areas cancellations have come. Western business on the whole is spotty, as far as knit goods go.

Importers of veilings, laces and fine fabrics have had a record season to date. The West looks particularly bright to them.

Retail business has been very quiet in almost every line in the dry goods trades. The leather business has been dullest of all. Most of the factories have been closed for some time but are now opening.

Banks Should Clear the Air

NEW YORK.—Comment of local Canadian bankers and financial men indicates that they are inclined to agree with the stand taken by THE POST in its editorial entitled, "Banks Should Clear the Air."

The opinion of one Canadian banker expressed to THE FINANCIAL POST, in commenting upon this editorial, is typical.

"While personally I believe that some of the Canadian banks should have cut their losses some time ago, now that the Union and Standard have done so others that find themselves in the position that these two banks did a short time ago, should follow suit. We bankers encounter almost daily rumors about the position of some Canadian banks; it would clear the air if any banks having to make adjustments would do so at once."

THE FINANCIAL POST would here reiterate the importance of having the business atmosphere cleared by some action by the banks which will dispose of unsettling rumors—if there are further adjustments to be made it would be well to have immediate action. As previously emphasized, banks like other business concerns must be expected to experience losses in such a business depression as has been experienced. Reserves are accumulated for just such purposes. But it is not fair to the shareholders or the public to maintain assets in the statement which should properly be written down.

In the case of the Union Bank the statement of readjustment was issued with what amounted to the stamp of approval of the Canadian Bankers Association. All the banks should be in a position of having their affairs in shape to secure such approval of their statements if occasion demands.

Are Business Failures Due to Heavy Taxation Burden?

Some Rather Startling Conclusions When Statistics of Bankruptcies and Tax Collections are Compared with Those of the United States

From Our Own Correspondent

OTTAWA.—Business interests will be much concerned over the fact that the announcement of very high federal revenue collections is being accompanied by a very large number of failures, the percentage of the latter being much higher than in the United States where, during the past year, there have been appreciable reductions in national expenditure and taxation.

During the six months ending June the number of business failures in Canada was 1,990, or one for every 4,523 of the population. In the United States during the same period the number of failures was 9,925, or one for every 11,080. In the United States the Director of the Budget has issued a statement to the effect that the federal revenue during the current fiscal year will probably be about $150,000,000 below that of last year. In Canada the increase in customs and excise collections during the first quarter of the fiscal year has been from $81,741,000, the figure for the same quarter last year to $99,367,000.

More Money to Spend

Surprise is frequently expressed that business in Canada does not seem to increase as rapidly as it has done in the United States. The foregoing figures seem to indicate that the American government is leaving with the general buying public more money with which to buy. In this country the reverse is the case. The Director of the Budget in the United States estimates the federal revenue for this year at a little over $3,500,000,000 and as there was a surplus last year of $100,000,000, the federal government took in taxes about $33 per head. In Canada the federal government took in taxes approximately $394,000,000, or $44 per head, that is one-third more than was taken on the other side of the line.

There is a mistaken impression that the mere increase of tax collections is of itself a certain indication of better business. The bank clearings do not indicate a very marked increase in business, nor do savings during the last month, for that matter; but sales and other excise taxes during July brought in over $3,000,000 more than during the same month last year. The government is getting that much more because the screws have been put on that much tighter, rather than because there is so much more business being done.

Putting Screws On

It is well known that in many districts at least, owing to the lateness of the spring, the usual volume of business has not been done this year. Nor has business caught up since. But the Dominion Treasury is taking in more money, the inference being that it is taking away money that should be left with the buying public for goods.

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Beck Talks Recklessly of Expenditure of Half Billion

"IF WE ARE PERMITTED TO CONTINUE WITHOUT INTERFERENCE, POLITICAL OR OTHERWISE, OUR INVESTMENTS WILL AMOUNT TO HALF A BILLION OF DOLLARS IN FIVE OR TEN YEARS."—So declared Sir Adam Beck in a post-election burst of enthusiasm while addressing a picnic of Hydro employees, according to the Border Cities Star.

The Hydro chairman announced the authorization of the expenditure of $1,000,000 in improving the radial lines along the border. From this Sir Adam gave his audience to understand that the Ferguson government is behind the Hydro radial program which was held up by Premier Drury and condemned as unsound by the Sutherland Commission. He intimated that the plans would now be pushed ahead. It was in this connection that he mentioned expenditures of half a billion "backed up by public credit." "OUR ASSETS ARE IN FARM LANDS, IN INDUSTRIES AND IN UNTOUCHED MINERALS," he declared. Further he explained that the "frills" had been sheared off the Gregory Commission and that the report to be made would not seriously affect the organization.

Sir Adam Beck is a member of Mr. Ferguson's cabinet. But, in the face of the report of the Sutherland Commission, and before the report of the Gregory Commission has been submitted, and with a financial comptroller just appointed, we cannot believe that the government has made the decision to go ahead with Hydro plans which will run the investment up to "half a billion." Sir Adam seems to have spoken out of his turn as usual.

When Premier Drury took office he found the Hydro Commission started on a program of development at Chippawa that was using up millions at a rate which was not only out of all regard to the estimates, but was a strain on the credit of the province. Then the radial program was launched. The Premier found himself in a situation where it was doubtful if the money could be raised even if the project was sound. He appointed the Sutherland Commission. The report indicated that there were already too many railways, that what business was secured would be at the expense of the existing lines, including the National system, that there were no definite estimates of cost—in brief, that there was nothing more than a plan, a vague and unsound plan, at that, so the experts found. So the radial plan was dropped and steps taken to find out why the estimates on Chippawa and Nipigon had been exceeded many times with the prospect of burdening the province with very costly power.

And now Sir Adam talks as though he had been given carte blanche by the government to go ahead with his schemes on the credit of the "farms and industries." We understand that he has no authority to do so and that Premier Ferguson will move slowly in regard to all public expenditures, particularly on Sir Adam's visionary schemes. But it might be well for the Premier to make some statement to indicate who is in authority in making important pronouncements of policy.

INVESTORS HOPE FOR "TEXTILE" REPORT

So Far Compay Has Not Issued One in Last Fiscal Year

From Our Own Correspondent

MONTREAL.—Shareholders of Dominion Textile have been wondering why they have not received an annual report of their company for the year ended March 31 last. The answer provides an interesting technical and legal point.

Practically every shareholder of the former Dominion Textile Company exchanged his stock for stock in the new company of the same name at the time of the three to one split up of the stock at the end of the calendar year. This meant that the former company practically disappeared. In any event it had not enough shareholders to provide a quorum at its annual meeting when this was called in June and the meeting was postponed until September. The officers of the Company had a financial statement prepared to present at that meeting but as there was not a quorum present the statement was not read. It was not printed for distribution.

The upshot of the matter is that the shareholders of the new company, although they are for all intents and purposes exactly the same people as the shareholders of the former company and their interest in the plants and properties is exactly the same as it was before, are not legally entitled to a financial statement.

It will undoubtedly be the feeling of the investment community generally that the company would be unwise to take advantage of a technicality to withhold its statement from general publication, and brokers and investment bankers generally hope that before the adjourned general meeting is called in September that the statement will be published, even if strictly speaking there are no shareholders to distribute it to.

The statement is known to have been an excellent one although the company at the present time is facing rather more difficult conditions because of stiff competition of British goods, and it is not believed to be earning at as high a rate for the present fiscal year as for the year ended March 31 last.

Workers Better Off Now Than in 1920

NEW YORK.—Contrary to general belief, the American wage earner in 1923 is better off than during the so-called "peak" period of 1920, according to conclusions reached by the U. S. National Industrial Conference Board as a result of researches into wages and the cost of living in plants employing more than 600,000 men.

SAVING FORESTS NOT REAL MOTIVE BEHIND EMBARGO

Far More Effective Means of Conservation Can Be Found

ADDING TO WEALTH

But the Embargo Would Give Us Most For Wood We Cut — Americans Still Discussing Proposal

From Our Own Correspondent

MONTREAL. — American newspapers, especially the specialized papers in the publishing and papermaking field, are taking a great deal of comfort from an opinion expressed privately by a "well-known publisher" that Canada has receded greatly from "its extreme idea" of prohibiting export of pulpwood. Other American parties interested in the question are considering hopefully Washington despatches which state that in official circles United States capitalists are confident that the embargo will not be adopted. They state that officials of the Canadian government have come to the conclusion that conservation of Canada's forestry resources can be had by other means than the imposition of an embargo which would cause friction in relations with the United States.

It may be that the wish is father to the thought in these expressions of opinion from across the line. Ottawa has indicated nothing of its attitude on the question since the government got legislation to permit the establishment of the embargo if found advisable and since the appointment of a Royal Commission was forecast. Ottawa is getting a lot of worthwhile comments on both sides of the embargo question and it may be that Premier King and Finance Minister Fielding are letting the pot bubble a while just to see what ideas and opinions come to the surface. But action on the matter has been promised and unless it is forthcoming in due course, those who have been promoting the embargo are likely to renew their efforts.

The motives that are imputed to Canada in this matter by American newspapers are varied. The most popular is one that has been widely quoted and says that "Canada's radical proposal" is provoked by hostility to the Fordney-McCumber tariff, which has excluded Canadian products like wheat and cattle. Back in the

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Maritime Life Sells $300,000 of its Stock

The Maritime Life Insurance Co., of Halifax, has now sold over $300,000 of stock in Nova Scotia alone—an amount considerably in excess of the total expected from Nova Scotia. An intensive campaign is being put on in P. E. Island this week, to be followed shortly by one in New Brunswick. It is understood that no special stock selling effort will be made outside of the Maritimes.

BUSINESS IN CALGARY

From Our Own Correspondent

CALGARY.—Taking all things into account, business is as good as could be expected at this season. There have been no more failures of late.

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TEXTILE MAKERS SLOW UP OUTPUT; CANNOT COMPETE

They Claim British Competition Has Hit Industry Seriously

TARIFF REDUCED

And At the Same Time Canadian Wages Have Had to Be Increased

From Our Own Correspondent

MONTREAL.—The textile companies, most of which enjoyed a good year in 1922, are in something of a state of depression now and the heads of the industry are gloomy. The changes in the preferential tariff that reduced the protection against British cotton and woollen goods are blamed for the unsettled conditions at the present time, coupled with the necessity of raising wages in Canadian textile factories at a time when wages of British operatives are being reduced.

Some of the pessimism expressed by textile men may be propaganda on their part to pave the way for an upward revision of the tariff next year and it is so characterized by more than one observer, but the fact remains that British textile goods are flooding the Canadian market at prices at which Canadian textile mills find it difficult to compete.

Many Firms on Short Time

Mills that a year ago were running at a fair rate are now running far below normal. This applies to all units in the textile industry. Even tire fabric mnaufacturers have been affected.

British shipments of cotton goods to Canada in June totalled 3,501,800 square yards, as compared with only 661,600 square yards in 1920, June, 1921, and 1,985,100 square yards in 1922. These goods are coming in now under a reduced tariff.

The Reduction in Tariffs

In 1922 the tariff on grey cotton goods was reduced from 15 per cent. to 12½ per cent.; the tariff on white cotton goods from 17½ per cent. to 15 per cent., and prints from 25 per cent. to 22½ per cent. The textile manufacturers at that time complained that they would be adversely affected, and pointed out that the real effect of the tariff reductions would not be seen for nearly a year. This year the tariff on prints was again reduced by the clause permitting a reduction of 10 per cent. in the duties on goods imported under the preferential tariff and through Canadian ports. It was not to apply on the lower tariff schedules. This brought the duty on prints down to 20¼ per cent. These changes alone have been of sufficient importance to cause a movement of British goods to Canada in competition with the products of Canadian mills, but differences in labor costs have also become more marked in favor of the British mills.

In November, British textile operatives had their wages reduced. In April of this year many of the Canadian mills had to increase their wages. The Dominion Textile Corporation, it will be recalled, put in a 12½ per cent. increase in order to keep its workers from going to the United States, where textile workers' wages in the Fall River district were increased considerably. The result is that the labor cost in textile goods is now from 60 to 70 per cent. higher in Canada than in Great Britain, figuring the cost per unit of material. This more than offsets the advantage of the Canadian duty to the Canadian mill.

Woollen Trade Hard Hit

The woollen industry has been affected to a degree even worse than the cotton textile industry. In the opinion of one man in the industry, "The woollen manufacturing industry in Canada was never in a worse condition than it is to-day."

A sidelight on the results of the conditions is seen in the history of the Paton Manufacturing Company, of Sherbrooke, Quebec, the oldest woollen manufacturing concern in the Dominion. During the spring this company was purchased by a Montreal syndicate including Sir Charles Gordon, Sir Herbert Holt and F. G. Daniels. It was planned to add a new worsted mill to the company's plants and to make other alterations and improvements. These plans have not been carried out and have been shelved until such time as conditions in the textile industry warrant increasing the Canadian output.

How Competition Grows

Figures of British exports of various cotton goods to Canada in the month of June are given here:

Grey Cotton Goods

June	Sq. Yards	Value
1921	38,000	£4,066
1922	150,100	6,869
1923	538,800	12,470

Bleached Cotton Goods

June	Sq. Yards	Value
1921	178,900	£14,114
1922	540,100	26,598
1923	773,700	29,949

Printed Cotton Goods

June	Sq. Yards	Value
1921	130,300	£9,795
1922	396,600	21,992
1923	891,900	41,576

Dyed Cotton Goods

June	Sq. Yards	Value
1921	248,800	£19,439
1922	627,400	43,757
1923	955,700	68,511

Colored Cotton Goods

June	Sq. Yards	Value
1921	65,600	£7,692
1922	270,900	17,934
1923	341,700	16,495

All Cotton Goods

June	Sq. Yards	Value
1921	661,600	£55,106
1922	1,985,100	117,080
1923	3,501,800	169,001

Figures for 1920, 1921, 1922 calendar years follow:

British Exports to Canada
All Cotton Goods
Year Ended Dec. 31

	Sq Yards	Value
1920	57,568,100	£5,401,327
1921	18,542,000	1,475,553

Ontario Matches Are Made From B. C. Timber

From Our Own Correspondent

NELSON.—That every match now produced at the plant of the Canadian Match Company at Pembroke, Ont., is being turned out of white pine made into match blocks at the Nelson plant of the W. W. Powell Company, Ltd., is the interesting declaration of George C. Cummins, sales manager of the match company, who has been visiting the West.

The interesting sequel is that matches used in British Columbia are made of match blocks which are shipped from Nelson, clear across the Dominion, and then purchased back as matches. All the match blocks are white pine.

THE MAN BEHIND IS MAN ON ROAD

Something About Traveling Salesman Who Brings In the Orders

His importance considered, we hear remarkably little about the traveling salesman, the man who is influential in keeping the mill wheels turning, says the American Exchange National Bank of New York City. The reason is, perhaps, that the other elements in modern business organization crowd the salesman off the scene. Nobody would accuse a good salesman of undue modesty, he usually asserts himself when there is occasion, but as a general thing he is more interested in keeping business moving than he is in yammering for public acknowledgment of his importance. The average mill-worker, who owes his very job to the salesmen in his organization, actually regards these market-makers as a species of parasite that lives upon his labor. This opinion of the salesman could not be held if the worker had knowledge of even the rudiments of the system which enables him to live in comfort as compared with his probable state without modern organization. He knows vaguely that the goods he helps in making must be sold, but he has little knowledge of the actual operation of exchange and no appreciation whatever of the salesman as the god of the machine. The part played by the unobtrusive salesman in the development of modern commerce to the point at which it is able to provide a livelihood of sorts to roughly two-thirds of the inhabitants of the world, has never, as a matter of fact, been acknowledged or fully appreciated. The predecessors of the modern salesman were such romantic figures as the sea-traders and the merchants of Venice, who carried in their ships, or on the backs of camels and other pack-animals, the goods they offered for sale. The introduction of the factory system forced a change, and in England the traveling salesman became a "bagman" who pursued the elusive buyer from pillar to post in his efforts to keep enough orders flowing into the factory to keep the workers in jobs and business on the books of his employer. Down South the salesman is a "drummer," in the East he is a "traveling salesman" or a "commercial traveler," but everywhere he is the man behind the man behind the machine.

CUT RATE ON COAL ONLY EXPERIMENT

Granted by Railways Merely to Try Out Idea of Western Coal For the East

From Our Own Correspondent

EDMONTON. — Shipments of Alberta coal from several mining fields are now going forward for the Ontario market. A special freight rate of $7 per ton has been made for a total of 4,000 tons, on condition that the coal be shipped by the government and distributed by it at the other end. It is recognized that the business can only be experimental in the proportions indicated. Several of the producers have been doing some publicity work in the East, following the campaign put on last spring by the government mines branch, and they have found that Ontario would provide a market for a steady flow of coal if a satisfactory freight rate could be secured. The $7 rate has been agreed upon as a temporary concession, and it will enable the Eastern consumers to buy for about $13.50 or $14 per ton; but 4,000 tons will be only a fraction of the quantity that Ontario would take if it could get it. The intention, therefore, is to use the shipments under the reduced rate as a further demonstration of Alberta fuel, and they will be distributed with a view to the best educational results.

The entire allotment is to be shipped before the end of August, the rate holding good for this month only. Producers and dealers here are disposed to look upon the special tariff as an opportunity for this province to give further proof of its ability to keep Ontario warm, but there is no indication as to whether or not a permanent reduction on the freight rate may be expected. Both the Canadian National and the Canadian Pacific managements were represented at the recent conference at which this plan was agreed upon, but it was clearly understood that the cut was not necessarily to establish a precedent.

OVER 30 MILLION DOLLARS PUT IN DAIRY FACTORIES

Butter Plants Increased But Decrease in Cheese Factories

OTTAWA.—According to a report issued by the Dominion Bureau of Statistics, the value of capital invested in butter and cheese factories in Canada in 1922 was $31,211,710, this total comprising values of land and buildings, machinery and tools, products and supplies on hand and cash and operating accounts. The value of capital invested in condenseries was $6,176,251. Comparative totals for the previous year were at $27,535,634 and $7,722,197 respectively.

Capital Invested in Dairy Products

Province	Butter and Cheese Factories 1921 $	1922 $
Prince Ed. Isl.	167,381	171,244
Nova Scotia	436,636	584,943
New Bruns.	302,922	350,915
Quebec	7,048,603	8,000,000x
Ontario	11,035,195	13,304,831
Manitoba	2,338,647	2,340,983
Saskatchewan	2,592,319	2,663,665
Alberta	2,536,781	2,781,074
Brit. Col.	1,077,150	1,014,055
Total for Canada	27,535,634	31,211,710
	Condenseries 1921 $	1922 $
Canada	7,722,197	6,176,251

xEstimated.

The number of persons employed in butter and cheese factories increased from 10,074 in 1921, to 10,439 in 1922, and the salaries and wages increased from $8,204,466 in 1921 to $8,761,943 in 1922. In condenseries the number of employees decreased from 1,081 in 1921 to 762 in 1922, and the salaries and wages from $1,006,627 in 1921 to $764,360 in 1922.—Table 9.

Imports and Exports

The yearly imports into Canada of dairy products are comparatively small, the value of imports of butter, cheese and condensed milk in 1922 amounting to only $2,230,871. The total for 1921 was $2,073,127.—Table 10.

In 1922 the quantity of Canadian butter exported was 21,504,808 pounds, valued at $8,015,395. This is the largest quantity exported in any year since 1906. The quantity of cheese exported in 1922 was 120,177,200 pounds, valued at $21,636,739, which is 17,003,257 pounds less than the quantity exported in 1921, and 22,590,345 pounds less than the quantity exported in 1920. The value of milk, condensed, canned or preserved, exported in 1922 was $3,134,590, compared with $5,641,831 in 1921.—Table 11.

Production Figures

There were 3,111 dairy factories in operation in 1922, including 1,161 creameries, an increase of 69 for the year; 1,565 cheese factories, a decrease of 54, and 362 combined factories, a decrease of 14. The values of butter and cheese products for the two years is given by provinces as follows:

Value of Creamery Butter

	1921 $	1922 $
Prince Ed. Isl.	452,523	449,303
Nova Scotia	1,306,465	1,244,958
New Bruns.	475,112	467,287
Quebec	17,594,921	18,110,304
Ontario	16,680,247	18,209,862
Manitoba	3,252,057	3,603,491
Saskatchewan	2,522,698	3,066,573
Alberta	4,543,007	5,126,844
Brit. Columbia	1,277,409	1,252,158
Total for Can.	48,135,439	51,530,780

Value of Factory Cheese

	1921 $	1922 $
Prince Ed. Isl.	293,651	284,471
Nova Scotia	5,578	5,010
New Bruns.	203,941	147,503
Quebec	9,197,911	6,307,581
Ontario	18,676,380	15,037,284
Manitoba	47,341	16,747
Saskatchewan	4,209	2,026
Alberta	200,478	183,860
Brit. Columbia	80,541	82,624
Total for Can.	28,710,030	22,067,106

The total value of condensed products in 1922 was $6,839,232, compared with $11,526,422 in 1921.

Eight-Hour Day Will Increase Steel Cost

The sharp curtailment in pig iron production in the United States during the latter part of July, and which is to be continued during August, according to the reported activities of American producers, has tended to stop the downward march of prices of iron and steel in Canada, says Canadian Machinery. Following the reduction of 75 cents last week the mraket has shown firmer tendencies and quotations at present are unchanged.

The gradual elimination of the twelve-hour day in the United States as rapidly as the labor supply warrants will tend to raise the cost of production. Judge Elbert H. Gary, chairman of the U. S. Steel Corporation, estimates that the change will add 15 per cent. to the cost of the manufactured steel products, because thousands of new men will have to be employed. Canadian operators anticipate an increase of $2 on the completed article.

There is a fair increase in activity in finished steel this week, but with little change from the policy or buying in small lots, which has been followed for some weeks.

THE RUSSIAN CROP

NEW YORK.—The official crop reports received from Russia are optimistic, but pessimism prevails regarding the possibiliity of moving the crop. Grain crops in Soviet Russia proper are officially estimated at three billion poods and in Ukraine 800 million poods. The amount available for export is estimated at 300,000,000 poods.

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IMMIGRANTS CAN BE HAD IF GONE AFTER PROPERLY

Results of Harvest Hand Campaign Have Shown This

RUSH FOR THE STATES

Question is Being Asked Why Canada Cannot Get More British Settlers when So Many are Going to Republic

From Our Own Correspondent

OTTAWA.—The prospects for heavier immigration appear to be better to-day than they have for some time past. Not only is a much larger number of settlers coming into the country than there was last year, but there are indications of something like a return to the normal immigration of pre-war years. Nothing like 400,000 new people a year is expected, as was the case in 1913, for that was an abnormally large number, but it would occasion no surprise if immigration soon again reached the 150,000 a year mark.

Several strong factors are contributing to bring this about. The government, though apparently slow to get a really big campaign under way, is doing much better in this respect than it was a year ago. The demand for action has been so strong that it has had to be complied with. From present indications greater advantage will be taken of the Overseas Settlement Fund, and very probably this is one of the matters that will be much discussed at the Imperial and Economic Conferences. Then again Deputy Minister of Immigration Black is getting more leeway, which makes a difference.

It is noted here that the pressure from outside for a vigorous immigration policy is not growing less, but, if anything greater. The pressure of expenditure, taxation and debt is having its effect, for business men especially are realizing that one way in which this can be lightened is through the bringing in of more people to cary the load.

Surplus From U. S.

The heavy rush of immigrants to enter the United States, where the restrictions now are quite severe, has demonstrated that desirable immigrants can be secured, if they are gone after in the right way. In the case of Canada this means chiefly by the right kind of publicity. The very fact that 77,000 immigrants from the British Isles will enter the United States this year is also attracting much attention, and giving rise to the question: Why can't more of these people be secured for Canada? The question is all the more pertinent when it is found that some thousands of these people are entering the United States through Canada.

Use Right Methods

The best evidence that people can be got for Canada when rightly gone after, is to be seen in the success of the efforts to bring harvesters from the British Isles. The demand for men is so strong that some weeks ago leading Western interests, together with the railways, arrived at the conclusion that some other means than the running of harvest excursions from the East would have to be adopted, if anything like the required number of men was to be secured. The plan of getting help from the British Isles through the offering of a much reduced rate for harvesters was adopted, with the result that it is expected that nearly 6,000 men will be secured in this way.

This was merely the adoption of common sense business methods to meet an emergency. It showed what can be done by private interests, when quick action is required, and when there is no red tape to be cut. Those fully acquainted with the immigration problem are convinced that the eagerness of thousands of the best settlers to leave Europe is such that a large number of very desirable people, who have a good chance to make good, can be secured.

Honesty Best Policy In All Big Business

REGINA.—George Langley, who has been regarded as the father of the Saskatchewan Co-operative Elevator Company, and an ardent advocate of organized marketing efforts on behalf of the prairie grain growers, admitted before the Royal Grain Enquiry Commission that big business in private hands found it good policy to deal fairly with the public, in establishing that his own company, which is big business in a co-operative way, did so. The local elevator companies, he said, did not make a practice of employing buyers to steal grain from the farmers; even the most unscrupulous ones would not do this as it stood to reason that a buyer who stole from the farmer likewise would steal from his employer.

GERMANY'S FINANCES

Deficit in Revenue Reaches Fabulous Figures

NEW YORK.—German state finances are worse than ever. In the second ten-day term of July, the floating debt rose from 31,041,975,000,000 to 42,936,000,000,000 of marks. In this period the revenue covered only one-twenty-fifth of expenditures, and the daily deficit was 1,200,000,000,000, or at the rate of 440 trillions yearly.

On the basis of the higher price level of the end of July, the annual budget deficit would be about 1,400 000,000,000 marks.

Fuller Use of Our Maritime Ports Urged

ST. JOHN.—The St. John Board of Trade recently sent to the boards of trade of the various manufacturing centres a circular urging fuller use of Canadian ports. It has been pointed out time and again, that when the Maritime Provinces entered confederation, "we gave up the New England markets which hitherto had been enjoyed with the direct understanding that compensation would be provided by the growing communities in Quebec, Ontario and the West, provided proper transportation facilities could be provided."

CHARGES THAT COMBINES TAKE FARMERS' PROFIT

Robert Forke Talks Frankly On Conditions In the West

From Our Own Correspondent

WINNIPEG.—In a business way the problems of Western Canada are the problems of Eastern Canada. The consumption of manufactured goods by the West is an important factor in the success of the manufacturer of the East. The solution of the present difficulties being experienced by the farmer is, therefore, a matter of broad concern. And so that we may understand these difficulties it is well to consider them from the Western viewpoint.

The present leader of the Progressive party, Robert Forke, M.P., has left the impression with those who have heard him that he is earnestly seeking to improve the conditions of the Western farmer along sound rather than radical lines. Of course, it is necessary for political reasons to support some of the more extreme demands being made, but, like his predecessor, Mr. Crerar, he evidently realizes that Western demands must be sane and sound if they are to receive serious consideration.

In a recent address to Western farmers, Mr. Forke said:

"When we speak at Ottawa of the difficult task it is for farmers to make both ends meet, we are called 'blue ruin prophets.' We often hear, 'Why don't you quit growing wheat?' but the questioner is not often well informed as to the conditions under which the farmer works. I agree that the solution lies to a great extent in mixed farming and we must forget that we will ever get rich by growing wheat alone.

"But all this will not solve our difficulties. The cost of production so nearly outvalues the cost of the things we produce that it is time for us to take notice. There is the cost of transportation and the activities of big combinations, who are willing for the farmer to work so long as they can step in and take the profits.

Trek to the City

"There is again the trek from the country to the city. Our young people are leaving us and I do not like to see our young people leaving the farms. We see our brightest and our best leaving the farms to go into professions that are already over-crowded. They go to the United States and are lost to Canada. The solution is that our farms must be made remunerative and our rural communities must be made a happy, contented and prosperous population.

"I had the privilege last winter of going to the farming districts of Ontario. I found that the people were just the same sort of people as ourselves. But they took life a little easier. They were not forever watching the clouds to see if hail was coming. They are not living under the same strain as the farmers of the west. But they go in largely for dairy farming and it will be better for the farmers of Manitoba to place a little more reliance in that humble creature—the cow."

It will be noted that Mr. Forke not only sympathized with the farmers in their difficulties but suggested a way out—mixed farming. Likewise, in referring to the importance of experimental agricultural work, he frankly told the farmers that, strangely enough, the chief criticism of governmental programs in this connection came from the farmers themselves, all of whom are benefiting directly and indirectly from the work being carried on.

ASSOCIATION TO SELL PROVINCE OF QUEBEC

Will Review Tourist Accommodation and Promote Influx of Visitors to Quebec

MONTREAL.—Shortly there will be in operation the Province of Quebec Touring Association, formed for the purpose of selling Quebec as a tourist province. The preliminary work of forming the association is well on the way as a result of discussions between the Union of Quebec Municipalities and the provincial government, and incorporation is now being arranged. The provincial government, it is understood, has decided to make a primary grant of $5,000 for the first six months' work of the association.

A tentative programme of work has been outlined, which will be submitted to an advisory committee of transportation and hotel men for approval and later to a group of Quebec province business men. The first step will be a review of the hotel, cottage and camping accommodation of the province and the provision of additional accommodation for tourists where required.

Study has been made of the work of the State of Maine tourist and publicity service, which spends $75,000 a year advertising the beauties and attractions of that state and the work of other tourist organizations have been analyzed to the end of working out the most efficient ways of promoting tourist traffic in Quebec as a leading industry for the province.

BRITISH COLUMBIA TOURIST TRAFFIC WORTH $30,000,000

Means Great Deal To The Prosperity Of The Province

ADVERTISING PAYS

Direct and Satisfactory Results Can be Traced to Aggressive Publicity Campaign Which Was Carried Out

From Our Own Correspondent

VICTORIA.—British Columbia has reached the peak of the biggest tourist season in her history, and it is estimated that as a result of the enormous travel and the expenditure of transients while in the province this summer will be worth at least $30,000,000 to B. C.

With the tourist season just nicely under way, representatives of Vancouver commercial organizations estimated that $10,000,000 had been brought into that city alone as a result of the tourist business. Victoria is sharing bounteously in the tourist development and as an indication of the growing volume of this business, three new ferry steamships have been added to the fleets plying between Vancouver Island and the Washington state mainland.

The tourist business in this province has been referred to as a gold mine, but no gold mine ever yielded as heavily as the tourist crop is doing this year. Last year the total mineral production of the province was approximately $35,000,000. If the $30,000,000 estimate of the amount of money brought into the province and left here during the season by tourists is an accurate one, the tourist business may be rated as among the three biggest industries of British Columbia.

Advertising Pays

Persistent advertising in the territory where most of the travel originates—in eastern centres of population, on the prairies, and latterly in Southern California—is regarded as responsible for the rapidly-swelling tourist tide into this part of the country. The increased use of the motor car as a means of holiday travel has been another important contributing factor and there are many cars touring British Columbia highways carrying number plates of California, Florida, Colorado and other distant states. When the provincial government completes the link in the trans-provincial highway between Hope and Princeton it is expected that the motor travel from the Canadian prairies will be enormously increased.

Railroads Co-operate

The railroads are assisting with national advertising, and in almost every city in the province organizations have been formed, supported largely by the municipal governments, whose function it is to distribute literature advertising their particular communities from the scenic, climatic and other standpoints of interest to the tourist and prospective permanent resident. The provincial government has been asked to set aside an annual grant of $500,000 a year for publicity purposes, but no action has so far been taken.

The Pacific Northwest Tourist Association, which acted for the province of British Columbia and the states of Washington and Oregon, backed financially by the three governments, collapsed this year as a result of the refusal of the Oregon Senate to appropriate the required amount. Oregon has now initiated a publicity campaign of its own on an extensive scale, and Washington and British Columbia are expected to act accordingly in order that the momentum created by the former organization may not die.

British Columbia's experience is that the majority of the tourists return year after year and that a large proportion of them form the intention while touring the province of eventually settling down in this province.

Favorable Conditions in Eastern Provinces

MONTREAL.—Reports to the Bank of Montreal indicate conditions in eastern provinces as follows:

Quebec.—"Grain crops are making good progress and a fair yield is looked for. Hay, in eastern and southern districts, practically all harvested with yield above average. Roots continue to look well and an average crop is expected. (Apples reported a little below average, with plums and berries plentiful. Pasture is in good condition with the exception of some of the northern districts where there is a lack of moisture.

Ontario.—Conditions throughout the province continue favorable. A good general yield is expected. Fall wheat is nearly all harvested, yield and quality above average. Spring grain crops, including corn, promise well, but rain is badly needed in most localities. Roots are in good condition. Most fruits above the average. Raspberries only fair.

Maritime Provinces.—Recent rains throughout the Maritime Provinces have benefitted all crops, particularly in New Brunswick. Haymaking has been delayed somewhat. Prospects at present in Nova Scotia and Prince Edward Island indicate all round good crops. An exceptionally large crop of hay is being harvested and prospects are very favorable for a large apple crop. In New Brunswick hay and grass pasture show some improvement. Potatoes now growing well and a fair crop expected.

Preliminary combined sales in July of the American and Canadian passenger car manufacturing divisions of General Motors totaled 52,000 cars and trucks.

THE MEN WE CALL LUCKY!

SOME men go through life spending money faster than they earn it. When Opportunity comes, they are unable to grasp it, and in their blindness call themselves unlucky.

The successful man looks ahead—systematically building up a good bank balance. Then when Opportunity comes, he is in a position to seize it—does so, and reaps his reward.

He is often called "lucky." It was not luck—it was Foresight.

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The Transfer Books will be closed from the 17th to the 31st day of August, both days inclusive.

By order of the Board.

J. W. HAMILTON, General Manager.

Winnipeg, July 19th, 1923.

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News and Views for Investors

BELGO CANADIAN

The crew of No. 5 paper machine of the Belgo Canadian Paper Company Limited at Shawinigan Falls, Quebec, claims to have the world's record for a single day's production of newsprint paper. This of course, means the world's record for any grade of paper, and their figure, which was reached last week, was 96.11 tons.

ACADIA SUGAR

The plant of the Acadia Sugar Refineries at Halifax is one of the large Canadian industrial factories operated by fuel oil. The oil is pumped direct from the Imperial Oil Company's refineries about a mile away and from 700 to 800 barrels a day are used. The plant has a capacity of [illegible] million pounds of sugar a day.

INTERNATIONAL PAPER

The Canadian plant of the International Paper Company at Three Rivers, the St. Maurice Lumber Company, is running at the rate of 320 tons of newsprint daily. This is around capacity, although the American mills of the International are running only about 93 per cent. of capacity, due to low water. The St. Maurice is electrically-operated and is not affected by water conditions.

ABITIBI

The Abitibi Power and Paper Company at Iroquois Falls has been completing this summer another group of houses for its workmen. Twenty-five neat stucco cottages, very much in appearance like summer cottages, have been erected and will be rented to workmen at around $20 a month. Regard has been had for appearance and among the twenty-five houses are no less than seventeen different plans and exteriors.

ALGOMA CENTRAL

According to word from Sault Ste. Marie, Ont., the Algoma Central Railway is carrying about 30 cars of pulpwood per day. The major portion of this is for the Spanish River Pulp and Paper Mills at the Sault but several cars a day are being taken to Michipicoten to be loaded on boats for transportation to the Port Huron Pulp and Sulphite company. This company is taking pulpwood from Michipicoten at the rate of a cargo per week. These cargoes run from 600 to 700 cords.

BROMPTON

It is officially announced that the Dominion Lime Company has passed into the hands of the Brompton Pulp and Paper Company.

The paper company [illegible] understood to have paid $50 a share for its controlling interest and an offer is being made to other shareholders on somewhat similar lines.

The Dominion Lime Company, established nearly forty years ago, has been operating without interruption since the time of its original activities. The plant is located at Lime Ridge, Que., on the Maine Central.

BRANDRAM-HENDERSON

A business that is world-wide in its scope has been built up by Brandram-Henderson, which is now adding another factory in Montreal to its string that embraces plants and warehouses in Halifax, Montreal, Toronto, Winnipeg, Medicine Hat and Vancouver. The company was originally Henderson and Potts but back in the '80's J. R. Henderson, the head of the firm, got the rights for Canada of Brandram's white lead which had previously been imported from England. A new company was formed, called Brandram-Henderson, Limited, with Mr. Henderson as president. Under the founder and his son, George Henderson, the present president, the business has grown to its present size.

LOEW'S METROPOLITAN

Shareholders of Loew's Metropolitan Theatre met this week and discussed their dark outlook, as outlined in last week's issue of THE FINANCIAL POST. A shareholders' protective committee of five was appointed to look after the interests of the investors in the company's stock and subscriptions are being sought to provide the committee with funds to carry on. It is pointed out that of $500,000 raised by the company not one cent remains, although creditors are pressing for claims totalling about $100,000. The present operators of the theatre, the Sparrow Theatrical Company, who foreclosed under an agreement of sale, have expressed a willingness to take up a one-half interest in any new company that may be formed to carry on.

THE BANK RATE

With the bank rate at 4 per cent. as against the recent level of 3 per cent., the tendency in Britain is for less money to be sent abroad. It is stated in some quarters that the bank rate was raised to 4 per cent. to discourage heavy American borrowing in London and it is stated also that the rate will be raised to 5 per cent. if necessary to prevent British capital going to the United States, where it is felt that there must already be a surplus of capital. The effect on Canada of an increased bank rate must be considered. It might have a tendency to make Canadian investment a litle more difficult but Canadian financial men returning from London all state that British financiers and investors have their eyes on Canada.

B. E. STEEL

The British Empire Steel Corp.'s coal production for July amounted to 136,594 tons, as compared with 423,498 tons for July, 1922. Production of coal for seven months ended July 31, this year, totalled 2,959,426 tons, compared with 2,185,816 for the same months last year. Reduction in output for July was due to the strike at the coal properties, but the corporation expects August will show a large increase of production over August of last year. This is easily possible, as the coal miners were on strike during a portion of August, 1922.

HOLLINGER

Small recent increases in Hollinger mill tonnage are reported by the Northern Miner which understands that the present average is about 4,600 tons per day, a new record. Installation of machinery, part of the plan ultimately to get tonnage to about 8,000 tons a day, is now going ahead. It is expected that during the summer months the tonnage record will be broken severa times. By fall Hollinger will have its mills to a point where all available hydro power will be consumed. Power company officials say that there is 500,000 h.p. unused which would allow of the milling of about 2,000 tons daily by Porcupine mines above the present record. Hollinger is expected to take nearly all of this surplus power. In the meantime the company's plans for new development are going ahead.

DETROIT UNITED

Announcement is made by the Detroit United Railways that the six-cent wage increase granted its platform employees some weeks ago is now in effect. This increase raises the scale paid motormen and conductors on the Interurban lines radiating out of Detroit and on the Pontiac and Flint City lines to 61, 64 and 66 cents an hour. According to a despatch to the Toronto Globe, it is believed that this increase in wages will have an important effect on the wage controversy between the city administration and the carmen on the municipal lines. Under the city charter the city obligated to pay its employees at a rate similar to that paid in private industry.

The stock has recently been selling around 68 or about the same level at which it started the year, the high in the interval having been 79 during the first week in April.

BRITISH EMPIRE STEEL

Sir Newton Moore, director of the British Empire Steel Corporation, who has just returned to Sydney after an inspection of the company's iron ore areas at Wabana, says that at the moment what the company needs is a market for the raw iron as mined at Bell Island.

Owing to complications in the Ruhr district, Germany is not in a position to take the same quantity of ore this season as last. Most of the blast furnaces in Germany, he said, are now idle and only individual cargoes are being received. Even with this curtailed shipment great difficulties are met and considerable additional expense is entailed as they have to be discharged in lighters. Last year over 800,000 tons of ore were delivered and contracts were entered into for 600,000 tons but owing to restrictions enforced by the French only a small portion can be received. An effort is being made in England to develop a market for surplus ore, Sir Newton says, and the Baldwin Works have contracted for 60,000 tons. A few cargoes will be shipped to Philadelphia. The amount unused at Sydney annually has been somewhat curtailed owing to the strike, but it is hoped that the mills here will catch up before the end of the year and consume their customary allotment.

ALABAMA POWER BONDS

Answering an inquiry regarding Alabama Power first 6's, the New York Herald says: The Alabama Power Company is a subsidiary of the Alabama Traction, Light and Power Company and serves directly or indirectly the central and northern parts of Alabama. The outstanding $9,000,000 first and refunding 6 per cent. bonds of the company, issued under an open mortgage, are dated June 1, 1921, and mature in 1951. These bonds are callable at 105 and interest to and including June 1, 1932, and thereafter at a premium reducing ¼ per cent. per annum. In addition to being secured by a general mortgage on the entire property of the company they are secured by a pledge of $12,000,000 of the company's first mortgage 5 per cent. bonds, of which $10,221,000 additional are now outstanding in the hands of the public. No additional first mortgage bonds can be issued except for the pledge of additional security for these bonds. Net earnings for the year ended June 30 last indicate that the company earned the interest required on its outstanding bonded debt over 2.1 times. These earnings reflect no benefit from the large increase of the electric generating capacity by over 50 per cent. The parent company is controlled by strong English and American interests who have a large investment in the property over and above that represented by the total funded debt outstanding. The 6 per cent. bonds are not listed on any exchange being traded in over the counter at around 99 and interest to yield about 6.10 per cent.

LESS GAINS THAN LOSSES ON QUIET STOCK MARKETS

Little Buying in Evidence During Holiday Season

PRICE UNCERTAINTY

But Confidence in Return of Buying Movement This Fall Grows—No Over-Supply of Goods

While the New York market has shown considerable character for the midsummer season, with such factors as the death of President Harding, the final collapse of the German mark, and the added complications of Anglo-European relations to be taken into consideration, there has been little interest displayed in the trading on the Canadian exchanges, with the result that prices generally have continued to move lower under light selling. The following summary indicates how losses have been more general than gains:

Group	Total	Gain	Loss	Unchd.
Paper	14	8	3	3
Industrial ..	17	4	10	3
Specialities ..	16	8	3	3
Traction	14	2	9	3
Utilities	10	2	7	1
Steel	7	1	5	1
Textile	7	1	4	2
Milling	9	2	1	6
Banks	13	4	8	1
	107	32	50	25

The paper group has been showing some measure of strength but the tractions, the utilities and the banks have shown a predominance of losses.

Investors are evidently endeavoring to estimate the trend of business this fall. Crop results are being adjusted by weather conditions to a more conservative basis than the first optimistic estimates, but there should still be a big yield. Whether or not this will be sold at a price to return a fair profit to the farmer will have a direct influence on his purchasing power and on the movement of goods this autumn. European developments have further unsettled the export market outlook for wheat. Then there has also been uncertainty recently as to the trend of commodity prices and wages. It is difficult to estimate profits to the manufacturer or volume of goods which will be absorbed. In the United States, however, it is significant that there appears to be a more general feeling of returning confidence following the period of adjustment which resulted when the consumer showed a definite opposition to paying inflated prices. There are still those who contend that adjustment must be carried further but the weight of opinion is increasing that, with finances on a sound basis and no over-supply of goods, buying must be resumed in good volume. This feeling was not greatly disturbed by the sudden death of the president; evidently business has no fear of the course to be taken by Mr. Coolidge. Of the general outlook for industrial securities, Hayden, Stone & Co. say:

While the market during the past week was generally reactionary and a number of stocks fell to new low marks for this year, the list as a whole was little or no lower than it was a month ago. Evidently the broad wave of liquidation which reached a climax by the end of June has not been resumed in the last four weeks, but instead the market has been subjected to a searching discrimination which, in view of the declines in particular stocks, must have gone very far toward correcting any inequalities that may have existed. Certainly after four months of decline, which has taken 30% to 50% off the prices of many important stocks, it seems rather an inopportune time to become pessimistic.

The market in the past month has for the most part looked weaker than it actually was, and observance of the movement of the list as a whole rather than of individual issues tends to confirm the impression that the selling was well absorbed and that if for only technical reasons the line of least resistance should be upward.

TORONTO.—The holiday on Monday, coming at the peak of the vacation season, tended to reduce trading interest in the stock market to even narrower proportions than experienced recently—and that is saying much. Prices generally continued to sag, there being no evidence of the effect of influences which resulted in conflicting trends in New York. Investors are evidently waiting for some more definite indications as to the future course of values and in the meantime there is little buying to oppose the desultory selling. There are some evidences, however, that liquidation is being completed and a better tone is anticipated with the seasonal return of investment interest about the end of the present month. In the meantime there may be some buying in anticipation of an autumn upturn.

The general dullness has affected the market for mining stocks with the result that most price changes have shown a tendency to lower levels. A return of speculative interest is anticipated before the end of the month.

MONTREAL.—Markets in New York have not been very strong and the continued weakness across the line has prevented any great improvement in prices in Canada, especially with investment purchases being on such a light scale. This week's trend in the Montreal Stock Market was listless and uncertain, with no important gains, although the paper stocks showed considerable evidences of underlying strength. Hansons and Fergusons in their quarterly review of the stock market say:

"Our market has experienced quite a considerable decline during the past quarter. While we believe this has been caused as much by the action of the New York market as anything, there is no doubt that this reaction was about due.

"At present, money conditions are good. The supply of money is plentiful, and the demand not very great. The opening of navigation during the past quarter has meant the circulation of money and the improvement of trade.

"The tourist traffic in this province is good, and our merchants all appear to be doing much better.

"We cannot but feel that the action taken by the Union Bank in disclosing its actual position to the public, and in reducing its dividend is one of the most favorable factors we have seen for a long time. Rumors, as a general rule, are worse, or better, than facts; and in this case the rule has applied.

'As against these points the fact that our budget does not balance is serious. There can be no doubt that we must sooner or later face the fact that our Government Railways must be made to pay, or we shall face most grave consequences."

OTTAWA RAILWAY PLANS TO EXTEND WITH 5 CENT FARE

Business-Like Proposition Has Been Made To The City

OTTAWA.—Through its general manager, Major F. D. Burpee, the Ottawa Electric Railway Company has issued a statement in which it expresses its readiness to re-open negotiations with the city for the construction of extensions to its system, without waiting until the whole tramways problem is again brought up five years hence, with the expiration of the automatic extension of the franchise.

"We are prepared to discuss the matter at any time," the company asserts, "but we do not propose to spend any more money to assist in the election of men who apparently regard the street railway question as a political football. If we have to wait another five years the growth and prosperity of Ottawa will be seriously affected. We have always been, and are now, ready to discuss this most important matter with the representatives of the city who are sincere in their desire to arrive at a satisfactory solution. We do not consider the majority of the members of last year's street railway committee were actuated by such a motive."

Keep Five Cent Fare

The problem of O.E.R. extensions was brought to the front again recently by the Ottawa branch of the Retail Merchants' Association, who suggested to the board of control that a new arrangement might be made with the company for the construction of lines in many sections of the city and suburbs which are now without adequate street car service. In view of the company's willingness to re-open the question, it is thought that a meeting between representatives of the city and the O.E.R. will be arranged.

The company expressed the opinion that the extensions could be built on a straight five cent fare "if the city did not impose anything further in operating expenses." The statement says in part:

"In January, 1921, and again in January, 1922 the electors weere given the opportunity of voting on whether or not the city should purchase the street railway, but in each case declared themselves against by large majorities. In January, 1922, three ballots were submitted: municipal ownership, service-at-cost or flexible fare contract, and a contract along the line of the present franchise known in the street railway business as a fixed fare contract. The first two were defeated and the last carried by substantial majorities.

"Following the votes in January, 1922, a street railway committee was appointed by the city council presumably to carry out the wishes of the citizens as expressed by their ballots, and negotiate a fixed fare contract with the company. The city also engaged the services of a well known street railway expert, R. M. Feustel, who was permitted by the company to make a complete investigation of its books, records and property. After Mr. Feustel's report was in their hands the committee asked the company to appoint representatives to discuss the matter with them.

"The company's representatives were presented with the draft of a fixed fare contract prepared by the committee. Briefly, the committee's proposition added at least $250,000 to the operating expenses of the street railway, called upon the company to undertake an additional capital expenditure of $1,500,000 for extensions and improvements, and to guarantee for the next twenty years to sell transportation in Ottawa at the same rates as the contract of 1893 calls for. Such a proposal practically removed the possibility of making any return to the shareholders on a property which was estimated to be worth at least $4,500,000, and asked them to increase that investment to $6,000,000 by building extensions, most of which could not be expected to even pay expenses until some time after they were put into operation.

"During the discussion of this proposal the company's representative asked the committee if they would consider any present or future change in the rates of fare as the terms of the proposed contract would remove the yearly profits the shareholders expected and were entitled to. Non of the committee would agree to consider any change in the rates of fare. They must remain the same for the full 20 year term. One member of the committee was frank enough to remark: 'Where would we be next January if we consented to any change in the rates of fare?' We could only conclude that the street railway committee was intentionally presenting a contract to us that the company could not accept in order that the failure of the negotiations to carry out the wishes of the electorate might be placed on our shoulders. This was the only attempt made by the committee to negotiate a contract along the lines of the present franchise.

After the committee had been informed that the company could not accept its proposal, we were asked to submit an alternative proposition. The company submitted an agreement based on a fare that might change as economic conditions demanded, with a fixed return to the shareholders, any profits over such fixed return to be returned to the car riders in reduced fares. The discussion of our draft finally resulted in the contract submitted to the electors in January last.

"So desirous was the company of having the question definitely settled at the last municipal elections that it offered as an alternative to the new contract to sell its property to the city for $4,500,000, a price its expert advised was at least half a million dollars less than actual value.

"The new contract and another proposal to purchase the street railway at the price agreed to by the company were submitted to the property owners in January this year, and both ballots were again defeated.

"On the 14th of this month the company enters upon a 5 year extension of the old franchise under which extensions and improvements requiring a large capital expenditure are not possible unless the franchise is somewhat amended."

SAYS NEW YORK CAN LEARN MUCH ABOUT ACCEPTANCE

British Banker Thinks That London Will Retain Supremacy

NEW YORK.—Acceptance Bulletin of the American Acceptance Council contains an article by Sir Ernest Harvey, of discount house of Allen, Harvey & Ross, London, on the London money market in which there is reference to the extent to which New York might take the place of London as an acceptor of bills and the consequent displacement of sterling by the dollar. Sir Ernest does not seem to be apprehensive over the future of the London market. "Anxiety under this score," he says, "will pass away as soon as the stability and the rehabilitation of sterling are assured. Our free gold market which restricted the variation in the value of sterling within narrow limits enabled the business man anywhere to know what risk of exchange he was running when he engaged to reimburse a London house for the use of its name for a few months. New York has made serious efforts to create an equivalent to the London discount market but, in spite of the advantage of still being on an effective gold basis, the experience must have been discouraging because money has been lost, by quibbling as to the extent of the legal obligations to accept bills drawn and negotiated in good faith on the strength of confirmed letters of credit. New York lacks the experienced men. The New York Federal Reserve system is not helpful to the same extent as the Bank of England, which facilitates the working of a discount market.

"New York has much to learn about foreign conditions before she understands that the accepting business is a laboriously acquired art and not an exact science. The average commission charged by an accepting house is very small—i.e., ¼% for three months—and for this commission the accepting houses take on an incredible amount of detail work in addition to incurring the risk of delay in being put in funds by their customers. An accepting house should know its correspondents personally and be able to appreciate not only the literal sense of letters from abroad, but also the business atmosphere of the places from which the mail arrives. The large British deposit banks made great efforts to increase their acceptance business during the years immediately preceding the war. In many cases they cut the charge for commission, and, having regard to the fact that their liabilities to depositors were so enormous, there was a good deal of reasoned criticism of the big steps they made outside what was considered their proper branch of banking. The reappearance of this feature must depend on the position of the accepting houses as a whole, after all possible settlements of pre-war debts from countries like Poland, Russia and Austria have been completed. Yet it is quite possible that when there is a universal trade revival there will not be enough London names to satisfy the demand for credits. In practice it does not matter how rich an accepting house may be; there is a saturation point in the discount market for bills on any one name. What this point is now, in view of the huge figures of our bank deposits, it would be difficult to guess, but before the war it was about £15,000,000."

In August, 1914, Sir Ernest Harvey made an estimate for the British treasury of the amount of bills outstanding, and the total amount was given as £325,000,000. The amount of bills, treasury bills, and short-term British government securities carried by the London money market to-day against call money he estimates at nearly £200,000,000.

UNLISTED BONDS

	Bid	Asked
Abitibi Gen. Mt'ge. 6's 1940	95¼	96
Algoma Steel 5's 1923	40	43
Amer. Sales Book 6's 1927.	97	..
Ash. Hardware 5 p.c. 1928	95½	96
Canada Salt 7's 1941	99	102
Dom. Iron Steel 5's 1939 ..	79½	..
Dunlop Tires 6's 1927	99¾	..
Eastern Car 6's 1952	94	95
Harris Abattoir 6's 1928 ..	99	..
K. &. S. Tire 7's 1935	89	92
Marcus Loew's 8% notes ..	..	96
Mattagami Pulp 7% Deb. .	33	34
Whalen Pulp 7% Deb. 1932	64	66
Simpson Robt. 5's 1952	85	..
Mount Royal 8% Deb.	..	81
Spanish River 8's 1941	106	106½
Burns P. 1st Mtge. 6's 1924	104	..
K. Ed. Hotel 7's 1933	89	92
Brompton Pulp 8% 1941 ..	108½	110½
H. Smith Paper 7% 1941..	100	101½
N. S. Steel 6% Deb.	88	90

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INTERNATIONAL IS BEHIND ONTARIO'S NEW KRAFT MILL

Controls Continental Wood Products Company Thru Subsidiary

TWO MILLS ALREADY

This Group of Companies Now Operates Lumber Mill and Paper Specialty Company in Canada

From Our Own Correspondent.

MONTREAL.—No plans have as yet been announced regarding the financing of the new kraft paper mill of the Continental Wood Products Company. This organization recently was granted timber rights on 1,049 miles of timber limits in the Sudbury district of Northern Ontario by an agreement with the Ontario government, under which the company undertook to establish and have in operation by 1925, a pulp and paper mill worth $1,500,000. Incidentally the announcement from Toronto that this would be the first kraft paper mill in the province was somewhat misleading. The Dryden company has for some time been producing a high grade of kraft paper and wrapping paper and bags have been made in the Ottawa valley for many years.

The International Paper Company through a series of subsidiary companies controls the Continental Wood Products Company. The Continental Wood Products Company is owned outright by the Continental Paper Products Company of Ottawa. This company in turn is owned outright by the Continental Paper and Bag Mills, a large United States concern which is controlled through stock ownership by the International.

Continental Paper Products operates at Ottawa one of the largest plants in Canada for the manufacture of paper bags, sacks, envelopes, paper drinking cups, etc. Last spring it made a bond issue, offering $750,000 of first mortgage bonds through the Royal Securities Corporatino out of a total of $1,500,000 of bonds authorized.

The Wood Products Company is now operating at Elsas a modern plant for the manufacture of lumber and lath with an annual capacity of 10 000,000 feet; also a wood preparing plant with an annual capacity of 30 000 cords. Its timber has been obtained from 48,000 acres of freehold timber limits estimated to contain 400,000 cords of spruce and other pulpwood. In addition timber rights on 51,480 acres of additional land are leased from the Ontario government. These timber holdings have now been supplemented by the new acquisitions from the Ontario government for the establishment of the kraft mills at Elsas.

Power is Available

As power is such an important element in the manufacture of pulp or paper it is of interest to note that on the Kapuskasing River within twelve miles of Elsas there are available for use and which can be obtained two water power sites, one of 33 feet head and the other of 73 feet head with good storage facilities capable of being developed for 8,500 h.p. at economical cost.

The establishment of the 75 ton per day pulp mill at Elsas would remove any difficulties that may crop up regarding the disposition of the pulpwood from the Continental Wood Products freehold lands. In the past it has been possible to ship this pulpwood to the parent company in the United States but if the embargo on pulpwood exports were enforced such shipments would not be possible. With the establishment of the pulp mill all of the company's wood could be cared for in Canada.

Senator Lorne C. Webster was appointed a director of the Sun Life Assurance Company of Canada at a meeting of the board yesterday, to fill the vacancy caused by the death of Dr. H. R. MacAulay.

SHAREHOLDERS OF QUEBEC RAILWAY ASKING FOR MORE

They Feel New Group's Offer Is Not Generous

FRIENDLY OPPOSITION

One Suggestion is That No Par Value Shares Be Issued Instead of One-in-Four Cut

From Our Own Correspondent

MONTREAL.—Friendly but determined opposition has developed to the offer of the Quebec Power Company to shareholders of Quebec Railway Light, Heat and Power Company. The offer, it will be recalled, is on the basis of one share of Quebec Power stock for each four shares of Quebec Railway stock turned in. A group of shareholders of the Quebec Railway are protesting to the new interests in the company that the offer, in their opinion, does not allow for the franchise value and earning power of Quebec Railway, and they are frankly asking better terms. Circulars are being sent to shareholders by T. Kelly Dickinson, and a meeting is being called of the shareholders to discuss the situation.

It is emphasized that no quarrel is sought with the Shawinigan Water and Power interests, who are now in control of affairs, because the minority shareholders realize the value of having such a group in charge of management and operations but a higher price is sought.

Letters to the President

To this end, the president of Quebec Railway, Julian C. Smith, who is also head of the Quebec Power Company and vice-president of Shawinigan, is being bombarded with letters from shareholders, which read:

"With full appreciation of the known enterprise and experience which you and your associates now are enabled to put into the operation of Quebec Railway, Light, Heat & Power Company, you will permit me, as a shareholder, in the most friendly manner possible, to register my opinion that the plan whereby we receive one share of Quebec Power stock for every four shares of Quebec Railway stock, is a basis of exchange entirely out of proportion to the actual and potential equities which our company enjoys, irrespective of the difficulties of the past, and the embarrassments of the present.

"I would urge you and your associates to modify the reorganization plan, as outlined in your recent letter to shareholders, and to give to shareholders at least some promise of the future benefits which will accrue through your administration."

This letter is the result of a circular to all shareholders from Mr. Dickinson in which he points out that he realizes a full measure of responsibility towards the shareholders in view of the fact that he was primarily responsible for ex-President E. A. Robert's retirement, and in which he also makes the statement that "frankly, it is discouraging to note the proposal of the present board of directors to write 75 per cent. off the stockholders' equity."

Situation "Bedevilled"

Mr. Dickinson feels that the whole Quebec Railway situation has been bedevilled. Originally it was planned to increase the capital by 50 per cent Now the opposite situation has arisen and it is proposed to wipe 75 per cent. off the capitalization.

As an alternative plan, Mr. Dickinson suggests that rather than reduce the capital of Quebec Railway from $10,000,000 to $2,500,000 that the stock be changed to no-par value stock, authority for which has already been given by the shareholders. Explaining his plan, Mr. Dickinson continued:

"I should have no objection to a reduction of 50 per cent. in capital or from 100,000 to 50,000 shares, so long as these shares were established on a no par value basis. The reduction in capital from 10 to 2½ millions would be less efficacious for an asset write off than would be a basis of 50,000 shares of no par value, which latter could be written on the balance sheet at the market value, or, say, around 20 to 25, which would amount to 1¼ millions as compared with the $2,500,000 share liability as under the plan submitted by the directors.

"There should be no difficulty in absorbing, on an equitable basis, the stock of the Public Service Corporation of Quebec. Holders of that stock have been receiving five per cent. dividends on their shares. Therefore it would be equitable to offer these holders, say, a six per cent. preferred stock of the Quebec Power Company, with participating rights after six per cent. is paid on the common. We must be appreciative of the position of the Quebec Public Service shareholders who have brought to Quebec Railway an elimination of competition and an earning power well able to look after the company's proportion of Quebec Power's dividends."

Terms to Directors

In connection with the present situation in Quebec Railway there is some lack of clearness as to the terms at which the old board of directors of Quebec Railway have disposed of their stock to the new group in control This point may come up in the negotiations between the so-called minority shareholders and the present board. These minority shareholders are expecting that definite assurance will be given them that the directors received exactly the same offer for their stock as was made to the other shareholders. No definite announcement on this point has appeared in the statements to date.

DOME'S OUTPUT

Dome Mines' output was valued at $425,547 for month of July, as compared with $421,779 in June, and $335,254 in July of last year.

Brompton Paper Takes Over Dominion Lime

From Our Own Correspondent

SHERBROOKE.—It is officially announced that the Dominion Lime Company has passed into the hands of the Brompton Pulp and Paper Company. The paper company is understood to have paid $50 a share for its controlling interest, and an offer is being made to other shareholders on somewhat similar lines. The Dominion Lime Company, established nearly 40 years ago, has been operating without interruption since the time of its original activities. The plant is located at Lime Ridge, Que., on the Maine Central.

STOCK MOVEMENTS OF THE WEEK

Week Ending August 7

	Div. Rate	Ask	Bid	High	Low	Close	Sales
Banks—							
Commerce	12	193	192	194	192	193¾	84
Dominion	12	188½	188	189¾	188	188	103
Hamilton	12	162	—	163	162	163	11
Hochelaga	10	150	—	149	149	149	10
Imperial	12	179	—	179	178	178	24
Molsons	12	—	169	166	165½	165½	37
Montreal	12	234	—	235	233	235	138
Nationale	6	99	—	99	99	99	10
Nova Scotia	16	260	258	258	257½	258	84
Royal	12	—	220½	221	220	220½	308
Standard	14	173	—	173	172	173	60
Toronto	12	186	185	184	184	184	21
Union	10	—	118	118¼	118¼	118¼	52
Industrials, Utilities, etc.							
Abitibi, com.	4	—	58½	59	57	59	1005
Do., pref.	7	—	99	98	98	98	6
Amer. Salesbook, pref.	7	92	89	90	90	90	13
Asbestos Corp., com.	6	49⅞	47½	48½	47½	48	185
Do., pref.	7	—	74	74	73½	74	82
Atlantic Sugar, com.	—	15	—	16	15¼	15	130
Barcelona Traction	—	19	18	18⅞	18⅞	18⅞	200
Bell Telephone	8	122	121	122½	120½	120¾	332
B. C. Fishing	—	16	15	16	15	16	144
Brazilian Traction	4	45½	45	45¾	45	45¼	1755
B. E. Steel, com.	—	8	7½	7¾	7¾	7¾	215
Do., 1st pref.	7	66	64	64	64	64	70
Do., 2nd pref.	—	18½	18	19	18¼	18½	595
Brompton Pulp	—	39	38	38¼	37¾	38	1220
Burt, F. N., com.	10	127	126	127½	126½	126½	25
Canada Bread, com.	—	55	—	55	55	55	85
Do, pref.	7	93	92½	93	93	93	12
Can. Car & Foundry, com.	—	26½	—	27	26¾	26¾	27
Do., pref.	—	75	75½	77	74¾	75½	260
Canada Cement, com.	6	82	80	80⅛	80	80	341
Do., pref.	7	102¾	102	103½	102	102¾	98
Canada Steamships, com.	—	15	13½	14¼	14¼	14¼	8
Do., pref.	—	46½	45½	46¼	46	45¼	260
Can. Converters	7	—	85	86½	86½	86½	25
Can. Cottons, com.	8	—	106	108¼	108¼	108¼	30
Can. General Electric, com.	6	100	98½	100⅜	99½	99¼	296
Do., pref.	7	—	107	107	107	107	10
Can. Locomotive, pref.	7	95½	94¾	95⅞	95⅞	95⅞	45
Can. Pacific Railway	10	150½	148½	148½	148	148	178
Canadian Salt	8	109	—	109	107⅞	109	27
City Dairy, Com.	10	145	142	142	142	142	30
Do., pref.	7	104	103	103	103	103	25
Consumers Gas	10	159	157½	159½	159	157½	124
Cuban Can. Sugar, com.	—	—	6	6	5½	6	17
Detroit United Rly.	6	70	68½	68½	68½	68½	125
Dominion Bridge	4	—	63	63	63	63	85
Dom. Canners, com.	—	—	28¼	29	28½	29	24
Do., pref.	7	84	—	84	84	84	10
Dominion Glass, com.	7	—	91	91½	91½	91½	131
Dominion Coal, pref.	7	—	—	85	85	85	90
Dominion Iron, pref.	7	77	—	74½	74½	74½	100
Dom. Steel Corp., pref.	6	74	—	75	75	75	55
Dominion Telegraph	6	44½	44	44	40	44	110
Dom. Textile, com.	4	—	62½	64	61½	63	623
Duluth-Superior	—	39	37	39	38¾	39	25
Ford Motor	—	—	410	415	415	415	1
Goodyear Tire, pref.	7	84½	83½	84½	84½	84½	61
Illinois Traction, com.	—	52	51¾	52½	52⅛	52⅛	343
Do., pref.	6	88	86	86	82½	86	55
Lake of Woods Milling, com.	12	165	160	169	169	169	25
Laurentide Paper	6	95¼	95	95¼	92	95¼	760
Lyall Construction	—	—	20	20¼	20¼	20½	20
Macdonald, A.	—	—	5¼	5	5	5	1
Mackay, com.	7	110¼	109	110¼	110	110	171
Do., pref.	4	68	—	68	68	68	5
Maple Leaf Milling, com.	8	67½	65	69	66	66	135
Do., pref.	7	88	85	85	85	85	34
Montreal Cottons, pref.	7	—	—	108	108	108	35
Montreal Light, Heat, Cons.	6	117	—	118¾	117	117	1452
Montreal Tramways	10	143	142	143	140	140	18
National Breweries, com.	4	49	47½	49	47½	47½	385
Do., pref.	7	—	—	98	98	98	121
Ogilvie Flour, com.	12	—	270	275	275	275	10
Do., pref.	7	—	119	120	120	120	117
Ottawa Light and Power	6	84	83½	83½	—	83½	5
Pacific Burt, pref.	7	102	—	103	103	103	5
Penman's, com.	8	—	142½	142	142	142	15
Do., pref.	6	—	97¼	99¼	99¼	99¼	10
Port Hope Sanitary, com.	—	55	50	50	50	50	20
Porto Rico Rlys., com.	—	20	15	15	15	15	10
Price Bros. com.	2	43	—	43	43	43	50
Provincial Paper, com.	6	90	—	90	90	90	20
Do., pref.	7	—	—	96½	96½	96½	5
Quebec Railway	—	—	16¾	17⅜	15⅜	17	686
Riordon, com.	—	—	1¾	2¼	2	2¼	85
Rogers, Wm., com.	—	55	50	52	52	52	10
Do., pref.	7	—	90	90	90	90	7
Shawinigan Water & Power	7	116	—	116	115	115	115
Sherwin Williams, com.	6	111	—	110	110	110	10
Do., pref.	7	—	100	100	100	100	37
Spanish River Pulp, com.	7	—	85¾	86	84¼	86	890
Do., pref.	7	—	95¾	97	95¼	97	1311
Smith, Howard, Paper, com.	6	—	—	68⅛	68	68⅛	190
Do., pref.	8	—	—	102	101	102	36
Steel of Canada, com.	7	68	67	69	66	67¾	1060
Do., pref.	7	100½	100	101	101	101	31
St. Lawrence Flour, com.	6	58	55	57½	57½	57½	10
Do., pref.	7	—	—	91	91	91	10
St. Maurice Paper	6	102	101	104¾	102	104¾	225
Toronto Railway	—	78	—	78¼	77	73¾	143
Tuckett Tobacco, com.	4	50¼	48	50	50	50	115
Do., pref.	7	93¼	—	93¼	93¼	93¼	110
Twin City, com.	6	71	70	71	70¾	70	284
Wabasso Cotton	4	—	—	72½	72½	72½	50
Wayagamack	—	48	47	47⅛	47	47⅛	230
Winnipeg Electric, com.	—	34½	33	33	32¼	33	40
Do., pref.	7	85	83	84	84	84	10
Woods Manufacturing, com.	8	—	—	55	55	55	5
Do., pref.	7	—	—	78	78	78	5
Canada Landed	10	77½	77	77	77	77	3
Toronto Mortgage	10	—	81	81	81	81	26

This advertisement appears for record purposes only, the entire issue having been sold.

New Issue

$2,000,000

Maple Leaf Milling Company

Limited

6½%

First Mortgage Twenty-Year Sinking Fund Bonds

Series A

To be dated August 1st, 1923. *Due August 1st, 1943.*

Interest payable semi-annually, February 1st and August 1st. Principal and interest payable in Winnipeg, Toronto and Montreal, and in London, England, at par of exchange.

Bonds issued in denominations of $1,000 and $500.
Bonds may be registered as to principal.
Trustee: The Royal Trust Company.
Legal Opinion of Messrs. Blake, Lash, Anglin & Cassels, Toronto.

CAPITALIZATION

(When present financial plans completed)

	Authorized	Issued
Common Stock	$2,500,000.00	$2,500,000.00
Preferred Stock	3,500,000.00	2,930,000.00
Bonds	4,000,000.00	2,000,000.00

The remaining $2,000,000 of bonds can only be issued against 75% of the cost of additions to or betterments of property and plant, provided that the average annual net earnings for the preceding three years are at least twice the interest on bonds outstanding and those proposed to be issued.

SINKING FUND

An annual Sinking Fund has been provided sufficient to redeem the entire amount of bonds issued by maturity, the first payment under which must be made not later than one year from the date of issue. Bonds will be purchased for the Sinking Fund at or under call prices, failing which they will be called as follows: at 104 and accrued interest to August 1st, 1928; 103 and accrued interest to August 1st, 1933, and 102 and accrued interest thereafter prior to the maturity of the bonds.

The bonds are callable either for Sinking Fund purposes or as a whole at the above mentioned prices.

From information received from Mr. James Stewart, President of the Company, we summarize the following:

SECURITY

A first Mortgage on the Company's Mills at Port Colborne, Kenora, Thorold and Brandon, also important warehouse properties in Hamilton, North Toronto and Winnipeg, the appraised value of which—together with valuable rights under power contracts—is over $5,590,000; and a floating charge on all other assets of the Company.

After giving effect to the present financing, the Company's net liquid assets will be in excess of $3,000,000. Total net tangible assets will exceed $10,000,000.

EARNINGS

After giving effect to the present financing the net earnings of the Company after full depreciation, available for bond interest and Federal taxes, certified to by the Company's Auditors, Messrs. Edwards Morgan & Company, have been as follows:—

Average annual earnings for 10 years ending March 31st, 1923	$731,357
Average annual earnings for 5 years ending March 31st, 1923	737,590
Earnings for the year ending March 31st, 1923	386,892
The annual interest charge on the $2,000,000 of bonds now being offered is	130,000

Osler & Hammond
Toronto

Osler, Hammond & Nanton
Winnipeg

The National City Company
LIMITED
Montreal, Toronto, Ottawa, Quebec

Dominion Securities Corporation
LIMITED
Toronto, London, Eng., Montreal

The information contained in this advertisement has been obtained from sources which we consider reliable; while not guaranteed, it is accepted by us as accurate.

BETTER EARNINGS OF ONTARIO STEEL ON LARGER TRADE

Increased Demand Noted For Horse-Drawn Vehicles

SHORTAGE OF POWER

This Had Effect of Increasing Power Costs — Common Dividend Not Paid and Funds Conserved

With an increase approaching $50,000 in earnings, a marked improvement was shown in the affairs of the Ontario Steel Products Company in the report for the year ending June 30 last. Tonnage handled was the largest in the company's history but competition was keen. Further, the company had difficulty with regard to water at Gananoque during the first months of the year involving considerable additional expense for steam and electric power.

President W. W. Jones makes the interesting observation that the directors are pleased to report a considerable improvement in the horse-drawn vehicle business during "the past six months," with satisfactory profits from this department, where substantial reductions in price were possible owing to the increased output and consequent lower costs; building and construction trades were active and aided the market for the company's products.

Of the profits of $189,888, $60,465 was written off for depreciation, $29,070 paid in bond interest and $52,500 for preferred dividends. The balance of $47,853, less sinking fund of $18,930, was added to the surplus, increasing the balance of profit and loss $442,023. Following are comparative figures:

Profit and Loss Account

	1923	1922	1921
Profit	$189,888	$141,083	$223,446
Bond int. ..	29,070	30,222	31,332
Depreciation	60,465	59,801	30,000
Pref. div. ..	52,500	52,500	52,500
Ne earnings	$ 47,853	x$ 1,440	$109,614
Com. div. ..		37,500	60,000
Balance ..	$ 47,853	x$38,940	$ 49,614
Sink fund ..	18,930	17,778	16,668
Invest Res.		50,000	
Add dep. 1921-1919		44,269	
Surplus	$ 28,923	$150,987	$ 32,946
Prev. surpl.	413,100	564,087	531,141
P. & L. bal	$442,023	$413,100	$564,087

x Deficit in 1922.

Regular dividends were maintained during the year on the preferred stock. At a meeting of directors on July 20, a dividend of 1 per cent. on common was declared for the quarter ended June 30. During the year the company purchased $16,300 of its own bonds, and after retirement of $20,500 of such bonds on July 1 last, the balance in the treasury to be used for future sinking fund purposes stood at $46,300. It is pointed out that the company has disposed of practically all outside investments, and that the securities now held are all in the form of government, municipal and the company's own bonds.

Fixed assets are carried in the statement at $2,207,411. Liquid assets at $869,556 compare with $806,136 for the previous year. Current liabilities are slightly lower at $196,982, as against $199,750. Working capital shows an increase of $66,187, as compared with last year. Reserves at $499,133 compare with $429,263. First mortgage bonds outstanding stand at $464,000.

Brokers Interested in This Case at St. John

From Our Own Correspondent

ST. JOHN. — A very interesting case is now before the courts of New Brunswick, and one which is of vital interest to stock brokers generally. Dr. F. H. Neve, of St. John, N. B., was sued for $34,000 by a New Brunswick stock brokers' concern with whom he had an account. Neve denied he intended to leave the city, but when judgment was given against him he vanished.

His wife sought to dispose of property owned by the absconding physician but encountered a snag, for the stock brokerage firm sensed this move and asked for an injunction to prevent her from selling the property. After many hearings, the injunction was granted. It is now alleged that Neve had transferred his property to his wife for the purpose of defrauding his creditors, and efforts are being made to have his assets, at least those he left in his wake, declared the property of his creditors.

The $34,000 represents orders executed in his behalf and at instigation on the stock market by the brokerage company.

TRADE MARKS IN CHINA

Mr. J. W. Ross, Trade Commissioner in Shanghai, reports under date May 31, 1923, that pending promulgation of regulations governing the registration of trade marks and patents in China, the Shanghai Customs accept applications for provisional filing of trade marks and patents. But the fact that a trade mark or patent has been filed with the customs is not a guarantee against fraudulent imitations and does not necessarily afford legal protection against infringement. All who desire to file trade marks or patents must send in a written application to the branch office of the Bureau for Registration of Trade Marks in the Transit Office, either direct or through their consuls, representatives or agents.

Laurentide and Spanish To Have Good Reports

From Our Own Correspondent

Both Spanish River and Laurentide will show greatly improved earnings in their annual reports, soon to be made public, it seems certain now. Spanish River may show from 14 to 16 per cent. earned on the common stock, and Laurentide as much as 11 or 12 per cent. Spanish River is a stock that has never been "split." Laurentide was divided three ways but this division of stock just about allowed for the large percentage of Laurentide's past earnings that have gone back into property.

PLAN TO WIND UP PARKER MOTOR CO.

Form New Company, Move to Morrisburg and Sell $500,000 Bond Issue

From Our Own Correspondent

MONTREAL.—Plans are being completed for the re-organization of the Parker Motor Car Company, which has been operating in a small way in Montreal for the past two years or so. A shortage of working capital made it impossible for the company to operate satisfactorily and it is understood that no cars have been built for many months. Under the plan of re-organization stockholders will receive stock in a new company and will also receive a share in the surplus assets of the old company, which is being wound up.

The company was organized with a capitalization of $10,000,000, half preferred and half common. About a quarter of a million dollars of preferred was sold with a bonus of common stock. The cars were widely advertised, although the company was never able to make promised deliveries due to various causes.

The new company, the name of which has not been determined, will have a capital, it is likely, of $500,000 of preferred stock and $1,000,000 of common. The old stockholders will receive share for share of preferred and 25 per cent. of their common stock holdings in common stock of the new company. Even then their equity will be small, for a bond issue of $500,000 will have beo be sold to provide working capital. Present assets are estimated at $32,000 in inventory as against approximately the same sum in current liabilities. There is in addition about $80,000 due from stockholders on shares purchased, which it is proposed to collect and any balance after meeting debts will be distributed to stockholders.

The new company has obtained a factory at Morrisburg and one of the officials tell THE FINANCIAL POST that it was obtained for common stock consideration. Fixed assessment and power charges have been obtained from the town of Morrisburg. The plant will provide for a unit for assembling the cars, but it is understood that plans call for the erection of a body factory as well.

GOODYEAR EARNED 8½% ON PREFERRED

Good Showing For First Six Months of the Current Year

Consolidated statement of Goodyear Tire and Rubber Company for first six months of the current year shows net income of $6,314,318 after taxes, interest, etc. After allowing for half year's dividends on 8 per cent. prior preference stock, and management 6 per cent., cumulative stock, balance is equivalent to $8.47 a share earned on $65,079,600 outstanding 7 per cent. cumulative preferred stock on which dividends have accrued from October 1, 1920.

Allowing for only six months' dividends on 7 per cent. cumulative stock, balance is equivalent to $3.66 a share earned on outstanding 882,158 shares of no par value common stock. This compares with net income of $1,915,890 or $6.40 a share on $29,902,500 8 per cent. prior preference stock outstanding in first half of 1922.

Consolidated income account for six months ended June 30, 1923, compares as follows:

	1923	1922
Net Sales	$55,439,631	$51,410,240
Oper. Exp. ...	48,372,574	48,118,803
Oper. Profit ..	$ 7,067,057	$ 3,291,437
Other Income	1,900,022	2,210,356
Total Income	x$ 8,967,079	$ 5,501,793
Bond Int., etc.	2,652,761	2,400,105
Reorganization Exp. etc. ..	.	1,185,798
Net Income ...	$ 6,314,318	$ 1,915,890

Condensed balance sheet of the Goodyear Tire and Rubber Co. as of June 30, 1923, shows total assets and liabilities of $161,673,214. Current assets were $59,722,785, and current liabilities $7,873,658. Surplus as of June 30, 1923, was $12,193,209.

Promise is For Big Crops on the Prairie

WINNIPEG. — The quality and quantity of the Western crop depends to a large extent upon the next two weeks, according to the fourth fortnightly report of the Union Bank of Canada, which is based upon 171 returns. This points out that the promise is still heavy. Actual damage from rust, saw-fly and heat has been more or less localized, though enough points have been affected, it would appear, to indicate a lessened total yield. This week's lower temperatures over the West will tend to check further rust developments. Harvest is expected to become general from August 15, and labor shortage is feared.

CAN. CONNECTICUT EARNED $236,368

This in First Six Months of Its Fiscal Year—Stock is Now Listed

From Our Own Correspondent

MONTREAL.—In connection with the listing of Canadian Connecticut Cotton Mills securities on the Montreal stock exchange a financial statement for the first six months of the fiscal year has been made public. This statement indicates that net profits after taxes for the six months ended March 10 was $236,368. The statement presented was as follows:

Sales, net of returns		$1,367,691
Less discounts		21,637
Net sales		1,346,054
Cost of sales		950,079
Gross profit		395,975
Expenses—		
Administrative	$66,321	
Selling..	33,360	
		99,682
Net profit on sales		296,292
Other Income—		
Investments..	7,549	
Purchase discounts ...	224	
Interest on acc. rec. ..	200	
Other interest	29,267	
		37,241
Gross income		333,534
Deductions from income—		
Capital stock tax	2,266	
Col. chgs. on cheques..	70	
Bad debts charged off .	14	
Loss on exchange	3,248	
Provision for contingent liabilities	36,446	
Reserved for decline in market value of investments	30,257	
		72,303
Net before Gov. taxes		261,231
Estimated Gov. taxes		24,863
Net profit for six months .. $		236,368

This six months' record compares with net profits of $526,632 for the year ended September 10, 1921, and $1,074,649 for the year ended September 10, 1922.

All of the outstanding stock of the company is being listed, the capitalization being as follows:

	Authorized	Outstanding	Par
Pfd. stock ..	$5,000,000	$3,000,000	$100
Class "A" com.	1,000,000	1,000,000	10
Class "B" com.	500,000	500,000	10

Cumulative dividends amounting to $360,000 on the preferred stock were in arrears as of March 10, 1923, for the six quarterly periods ended September 30, 1922.

Unfavorable Conditions In Milling Industry

With the fiscal years of several of the big milling companies coming to an end on August 31, such as Ogilvie Flour Mills, Lake of the Woods Milling, and St. Lawrence Flour Mills, it may be stated that the earnings in most cases will reflect more unfavorable conditions than in the previous year, according to Financial Service.

It is quite true that exports of flour from Canada held up well, even exceeded the previous year's mark. Up to the end of June, 1923, the twelve months' exports were 10,714,399 barrels, valued at $61,747,909, as against 7,720,109 barrels valued at $51,800,902 the previous year. At the same time, it is well known that orders for export were taken at prices that meant practically no profit on many occasions. It was the domestic business that was profitable, such as that of Lake of the Woods and Ogilvie, and those mills that had to depend mainly on export will show lessened earnings.

Mortgage Loans of Ontario Companies Higher

Increased investments in mortgages and in cash reserves are shown in the quarterly return for loan companies operating under Ontario charter, as made to the registrar, V. Evan Gray. The following summary covers thirty-four companies for the period ending June 30.

	June 1923	Previous Quarter
Trust deposits	$ 9,089,652	$ 8,910,944
Spec. guar. Invest.	17,911,761	17,438,469
Gen. guar. Invest	11,294,910	10,026,580
Total funds	$38,296,325	$36,375,995
Cash	1,910,675	1,101,805
Can. Govt. bonds	2,726,332	2,734,160
U.K. bonds ..	57,939	74,912
Can. munipl. ..	3,341,958	3,407,417
School & Tel. bonds	1,382,339	1,389,229
Mortgages ...	24,991,836	24,047,668
Demand loans	2,292,678	1,930,170
Sec. not trustee investments ..	1,610,234	1,704,858
Total investmt's	$38,313,994	$36,390,223

The returns for the seventeen trust companies operating in the provinces show some increase in cash, securities and loans, as indicated by the following comparative summary for the second quarter of the year:

	June 1923	Previous Quarter
Total deposits	$37,779,149	$37,669,924
Cash	4,516,073	4,901,191
Dom. bonds ..	10,088,046	10,873,814
Ont. mun. debs.	4,167,088	4,432,756
Demand loans	1,177,521	984,230
Cash. securities and loans ..	19,948,730	21,191,992
Percentage of cash etc. to deposits	52.80	56.26

ALABAMA POWER

Alabama Power's $10,000,000 development on Tallapoosa River is well under way and the company is constructing a railroad to Cherokee Bluffs, where a 132,000-h.p. development is to be built. The company is now planning to construct a $1,000,000 transmission line from Mitchell Dam to the cotton mill centre in eastern Alabama. Last year the company expended $6,500,000 for development work and will spend as much more this year.

Slash Burning Banned Now in New Brunswick

From Our Own Correspondent

ST. JOHN.—The department of forests, lands and mines in New Brunswick has announced a ban on slash burning except during the fall months. This ban has been urged by prominent lumbermen and pulp and paper men for the past few years. It is stated that much of the loss by fire in the forests of the province is traceable directly to slash burning in the spring and summer.

Now that the slash burning ban has been announced, the question will be of enforcement. In the past, slash burning, except in May, has not been legal without permits, but this has not prevented many persons from starting the slash fires and escaping prosecution.

Dominion Textile Company
LIMITED

Manufacturers of

COTTON FABRIC

MONTREAL TORONTO WINNIPEG

Quebec Power Company

Montreal, July 26th, 1923.

To the Holders of the Common Shares of The Quebec Railway, Light, Heat & Power Company, Limited.

Gentlemen:

Quebec Power Company makes the following offer to all Holders of the Common shares of Quebec Railway, Light, Heat & Power Company, Limited, viz.:—

> Quebec Power Company will purchase and acquire the whole or any part of the Common shares of Quebec Railway, Light, Heat & Power Company, Limited, of an aggregate par value of ten million dollars ($10,000,000) by giving in exchange therefor Common shares of Quebec Power Company (of the par value of $100.00 each) on the basis of twenty-five dollars ($25.00) par value of such Common shares for each one hundred dollars ($100.00) par value of the Common shares of Quebec Railway, Light, Heat & Power Company, Limited. The Common shares so offered in exchange form part of an authorized issue of six million dollars ($6,000,000) of which one million six hundred thousand dollars ($1,600,000) have been issued and are presently outstanding.

This offer of exchange is open for acceptance until twelve o'clock noon (standard time) on Friday, the Twenty-eighth of September, 1923.

Reference is made to the enclosed letter of even date addressed to the Shareholders and Income Bondholders of Quebec Railway, Light, Heat & Power Company, Limited, for information with respect to the business and properties of Quebec Railway, Light, Heat & Power Company, Limited, and of Quebec Power Company.

Holders of the Common shares of Quebec Railway, Light, Heat & Power Company, Limited, desiring to accept the offer for exchange of securities as above made must deposit their certificates for such Common shares, duly endorsed in blank, with National Trust Company, Limited, 153 St. James Street, Montreal, prior to the time fixed for the expiry of such offer, and will receive in exchange therefor a receipt entitling the Depositor to receive a certificate or certificates for the Common shares of Quebec Power Company on the basis of the offer above referred to. Certificates for such Common shares will be issued and delivered as soon as reasonably possible, notice of which will be given to the Depositor by National Trust Company, Limited.

Very truly yours,
QUEBEC POWER COMPANY,
JULIAN C. SMITH,
President.

Montreal, July 26th, 1923*.

To the Holders of the Five Per Cent. Thirty-Year Income Bonds of The Quebec Railway, Light, Heat & Power Company, Limited.

Gentlemen:

Quebec Power Company makes the following alternative offer to all Holders of the Five Per Cent. Thirty-Year Income Bonds (due 1951) of Quebec Railway, Light, Heat & Power Company, Limited, viz.:—

> Quebec Power Company will purchase and acquire the whole or any part of the Income Bonds of Quebec Railway, Light, Heat & Power Company, Limited, of the issue above mentioned, by giving in exchange therefor Seven Per Cent. Preference shares (of the par value of $100.00 each) of Quebec Power Company on the basis of thirty dollars ($30.00) par value of such Preference shares for each one hundred dollars ($100.00) par value of such Income Bonds. The Preference shares so offered in exchange form part of an authorized issue of four million dollars ($4,000,000) of which one million four hundred and ten thousand dollars ($1,410,000) have been issued and are presently outstanding:
>
> — or —
>
> At the option of the Holder, Quebec Power Company will pay twenty-seven dollars ($27.00) in cash for each one hundred dollars ($100.00) par value of such Income Bonds.

This offer of exchange or purchase is open for acceptance until twelve o'clock noon (standard time) on Friday, the Twenty-eighth of September, 1923.

Reference is made to the enclosed letter of even date addressed to the Shareholders and Income Bondholders of Quebec Railway, Light, Heat & Power Company, Limited, for information with respect to the business and properties of Quebec Railway, Light, Heat & Power Company, Limited, and of Quebec Power Company.

Reference is further made to the terms and provisions of a Trust Deed dated 11th August, 1921, securing the said Income Bonds and executed in favour of the Quebec Savings & Trust Company. By such Trust Deed the Income Bonds are secured by a hypothec, mortgage and pledge on all of the properties of the Company, real and personal, movable and immovable, rents, revenues, rights, claims, privileges and franchises, subject (save and except with reference to the stock of Quebce & Saguenay Railway Company and any lands which may be received by way of subsidies from the Government of the Province of Quebec arising out of the construction of the Quebec & Saguenay Railway, which said lands or proceeds of the sale thereof are to be conveyed, assigned and held by the Trustee as security for the said issue of Income Bonds) to the priorities, hypothecs, mortgages and charges securing all the Bonds of the Company outstanding or authorized at the date of the said Trust Deed and all Bonds of its subsidiaries outstanding or authorized and all Bonds that may be issued by the Company or its subsidiaries to retire or replace Bonds then outstanding or authorized, and subject further to the hypothec, mortgage and charge which may be created for the purpose of securing further Bonds of the Company which may be authorized and issued to a total additional amount of seven million five hundred thousand dollars ($7,500,000) par value.

Five per cent. Consolidated Gold Bonds of the Company have already been authorized to the extent of ten million dollars ($10,000,000) to be issued under and pursuant to the terms and conditions of a Trust Deed of Hypothec and Pledge in favour of Montreal Trust Company as Trustee, dated 15th December, 1909, and by a Supplementary Deed of Hypothec and Pledge in favour of the same Trustees, dated 23rd August, 1912. Of the Bonds so authorized nine million and eighty-nine thousand dollars ($9,089,000) aggregate par value have been issued and are presently outstanding and nine hundred and eleven thousand dollars ($911,000) par value are held in escrow to retire outstanding Bonds of Subsidiary Companies.

Of the Income Bonds above referred to three million three hundred and seven thousand two hundred dollars ($3,307,200) have been issued and are presently outstanding.

Interest on the Income Bonds is payable only as net earnings of the Company for each half year shall be sufficient to pay the same after provision has been made for the payment of interest and Sinking Fund requirements upon all of the outstanding Bonds of the Company or its subsidiaries and upon such further Bonds as may be created by the Company and issued up to a total amount of seven million five hundred thousand dollars ($7,500,000).

No interest has been paid by the Company on any of the Income Bonds since the date of their issue.

Consolidated Gold Bonds of the issue above referred to, and to an amount of two million five hundred thousand dollars ($2,500,000), have been recently issued and sold to provide the funds necessary for the payment of Bonds of Quebec, Montmorency & Charlevoix Railway Company which fell due on the 1st June, 1923. Additional liability was also incurred to provide the funds necessary to complete such payment and to meet necessary expenditures in connection with the general operation of the Company and for improvements.

The offer presently made by Quebec Power Company has been decided upon after a careful examination of the properties of the Quebec Railway, Light, Heat & Power Company. Limited, and after consideration of its business, present and prospective. Holders of Income Bonds aggregating more than eighty per cent. of the par value of the Income Bonds issued and outstanding have already signified their desire to exchange their holdings for the Seven Per Cent. Preference Shares of the Quebec Power Company on the basis of the offer herein made.

It is anticipated that dividends on the Preference shares of Quebec Power Company will be earned and regularly paid.

Holders of Income Bonds desiring to accept the offer above mentioned for exchange of securities must deposit their Bonds with National Trust Company, Limited, 153 St. James Street, Montreal, prior to the time fixed for the expiry of such offer, and will receive in exchange therefor a receipt entitling the Depositor to receive a certificate or certificates for the Seven Per Cent. Preference Shares of Quebec Power Company on the basis of the offer above referred to. Certificates for such Preference shares will be issued and delivered as soon as reasonably possible, notice of which will be given to the Depositor by National Trust Company, Limited. When the option exercised is for payment in cash the Income Bonds must be similarly deposited with National Trust Company, Limited against receipt to be issued therefor, and payment of the appropriate amount will be made within a period of 30 days from the issue of such Deposit Receipt.

Very truly yours,
QUEBEC POWER COMPANY,
JULIAN C. SMITH,
President.

*NOTE.—Letter of July 26th, 1923, to which reference is made for information in respect to the business and properties of the Company, may be had on application to the Secretary of the Company, 611 Power Building, Montreal, Que., or at the Offices of the Company, Power Building, corner Crown and St. Joseph Streets, Quebec City, P. Q.

The Quebec Railway Light, Heat & Power Company, Limited

MONTREAL, 26th July, 1923.

To the Shareholders of The Quebec Railway, Light, Heat & Power Co., Ltd.

Gentlemen:

Following various discussions a joint meeting of the Boards of Directors of the Quebec Railway, Light, Heat & Power Co., Limited and Quebec Power Company was held on Wednesday, July 18th.

At such meeting the proposal of Quebec Power Company to the Shareholders of your Company offering an exchange of shares, was submitted to your Board.

The main problem confronting the Directors of your Company is one involving the immediate provision of a very considerable sum of money to meet current liabilities and the further amounts which will be necessary to maintain, extend and develop the various properties. If the proposed plan is accepted and the two Companies are brought together upon the basis outlined in the circular, this problem will be solved and the necessary financing will be arranged on advantageous terms.

The alternative would be to arrange for independent financing which at best could only be carried out on very onerous terms.

A careful study of your Company's present situation makes it clear that its position would be improved if its operations were carried on under a system of co-ordinated direction allied to the Quebec Power Company, provided such alliance were effected on a satisfactory basis.

It is moreover clearly evident that only through such co-ordination of interests and the grouping together of the power resources of the two Companies, can the necessary economies of operation be brought about; provision made for the financial requirements of your Compony and proper returns secured from the carrying on and the development of its business.

After due consideration of these facts. your Directors unanimously decided to advise the Shareholders that, in the opinion of their Directors, the best interests of the Shareholders would be served by their acceptance of the offer of the Quebec Power Company contained in a letter of even date issued by the Directors of that Company.

By Order and on Behalf of the Board,
JAMES WILSON, Secretary.

Oscar Hudson & Company
Trustee Department
Frederick M. Moffat
Manager
Assignments, Liquidations, Collections, etc.
32 Church St. Toronto

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Muskoka Lakes

Already vacationists are off to the land of gleaming lakes—Muskoka, the ever beautiful with its cool green forests, sparkling lakes and shadowy winding rivers.

This summer wonderland is famous the entire continent over and year after year tired city dwellers from all parts of Canada and the United States come to it and find health, recreation and enjoyment. It is so close to the commercial centres that even those with the briefest vacation time at their disposal may enjoy its delights.

A fleet of eight modern steamers offers glorious water trips to all points on Lakes Rosseau, Muskoka and Joseph. There is every opportunity for motorboating, and the canoe trips are inexhaustible. The bathing and fishing is unexcelled and there is hotel accommodation to suit every taste and every purse.

There is the gay fashionable hotel with its golf course, tennis, bowling, glorious week-end dances, regattas, etc., just the place for those who need livening up a bit, while, for those who are tired of the social whirl there is the quieter hotel and boarding-house offering just as enticing out-door sports, but where you may live as quietly as you please.

Canadian National Railways make direct connections with lake steamers at Muskoka Wharf, Bala Park and Lake Joseph stations.

Ask any agent for literature and information.

LLOYDS BANK LIMITED
1677
Head Office:
LOMBARD ST., E.C. 3.
CAPITAL: ($5=£1.)
SUBSCRIBED $359,323,900
PAID UP $71,864,780
RESERVE FUND $50,000,000
DEPOSITS, &c. $1,659,767,335
ADVANCES, &c. $616,943,395
1,600 Offices in England & Wales.
Colonial & Foreign Department: 20, King William Street, E.C. 4.
The Agency of Foreign & Colonial Banks is undertaken.
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THE NATIONAL BANK OF SCOTLAND LIMITED.
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BIG CIRCULATIONS OF PAPERS BOOST OUTPUT OF MILLS

Now More Copies Being Distributed Than Ever Before

SUNDAY EDITIONS

These Have Achieved Enormous Popularity—The Effect On Newsprint Securities

From Our Own Correspondent

MONTREAL.—While the increased volume of advertising appearing in the newspapers of the continent is responsible to some extent for the greatly increased demand for newsprint, the larger circulations of newspapers are also very real factors, perhaps more important reasons. Canadian paper mills are benefiting from the growing demand for newsprint paper and the larger circulations have been of considerable help to them.

The larger circulations are likely to have a more permanent basis than the increase in volume of advertising, because they are indicative of the advance of education and the widening field of knowledge, as well as larger population. The increase in advertising on the other hand, is likely to continue only so long as business conditions are on the upgrade. In other words, while there may be a close approach to a saturation point in advertising lineage there is a less dangerous saturation point in newspaper circulations.

The fact that the increased number of copies of the papers printed and sold rather than the larger number of lines of advertising appearing in individual copies of the publications is responsible for the brisk demand for newsprint is a stabilizing factor in the paper situation that cannot fail to give confidence to holders of newsprint paper stocks, such as Abitibi, Laurentide, Spanish River, Belgo and the others.

Sworn circulation statements of the English language daily newspapers of the United States for the six months ended March 31 last, showed distribution to be the highest on record, averaging 31,373,000 copies daily. This compared with 30,232,000 copies daily for the six months ended September 30, 1922. From 1918 to 1919 there was a small decline in gross average circulations, but since then the advance has been periods covered by circulation statements for the past five years have been as follows:

6 Mos. Ended	Daily Average
Sept. 30, 1918	28,625,000
Mar. 31, 1919	27,975,000
Sept. 30, 1919	26,715,000
Mar. 31, 1920	28,113,000
Sept. 30, 1920	28,232,000
Mar. 31, 1921	28,582,000
Sept. 30, 1921	28,875,000
Mar. 31, 1922	29,644,000
Sept. 30, 1922	30,232,000
Mar. 31, 1923	31,373,000

Sunday Papers Up Also

The figures above cover daily newspapers. As is generally recognized, the advance in Sunday newspaper circulations has been amazing and the figures are even more startling in the percentage of advance from period to period than the figures for daily newspapers. Comparative figures for the Sunday newspapers are given here:

3 Mos. Ended	Daily Average
Sept. 30, 1918	16,057,000
Mar. 31, 1919	16,618,000
Sept. 30, 1919	15,486,000
Mar. 31, 1920	17,059,000
Sept. 30, 1920	17,113,000
Mar. 31, 1921	18,992,000
Sept. 30, 1921	19,093,000
Mar. 31, 1922	19,768,000
Sept. 30 1922	19,765,000
Mar. 31, 1923	20,987,000

These figures indicate why newsprint consumption on the continent is reaching this year the highest figures on record, running nearly 20 per cent. ahead of 1920 or 1921.

Financing Future Fights Through Wall Street

Now that prize-fighting has entered the realms of high finance, the sports promoters are turning toward the stock market to finance their ventures, and New Madison Square Garden Corp. is offering 50,000 shares of its class A stock to the public at $20 a share, to yield 10 per cent.

This stock is entitled to $2 annual dividends, and shares equally with class B stock in further distributions after $2 has been paid on the B issue, of which there are 125,000 shares.

The new company starts its corporate existence with $40,000 cash and $10,000 receivables, as well as a new Madison Square Garden site at 50th Street, New York, and Boyle's Thirty Acres, in Jersey. Pretty soon we can look for "Jack Dempsey common and preferred," "Firpo first preferred," "Pancho Villa general and refunding 5's," etc., etc.

In fact, why not even have a daily "bid and asked" on the various pugilistic contenders? asks The Financial Review. "Then the fight fans can bet on the amounts of the purses, as well as the winner—if they do not get dizzy when Jack Kearns names his figure."

CANADA'S MOTOR CARS

Motor vehicles registered in Canada during 1922 averaged 5.7 to every 100 people, according to a report issued by the Dominion Bureau of Statistics. Passenger cars in 1922 numbered 462,275, commercial cars 37,610, and motorcycles 9,375, while licenses issued to dealers and manufacturers amounted to 4,561. In addition tourist cars to the number of 818,374 entered Canada for a period of 24 hours or less; 175,535 for two to 30 days; and 2,420 for a period of from one to six months.

How Germany Has Evaded the Payment of Reparations

Claims Are Fantastic and Exaggerated — Industrial Wealth is Being Amassed Rapidly

The Germans assert that they have paid fabulous amounts to the allies in cash and kind, and give imposing figures in support of their contention. The Allies maintain that Germany has paid very little and quote figures which differ widely from the German statistics to the bewilderment of outsiders, who naturally ask: "What are the facts? Is Germany being exploited and impoverished by her late opponents or has she not made a real effort to make good the damage she has done?" To these questions J. Ellis Barker essays to give a reply in an article in the Fortnightly Review.

The Germans have published various official statements which differ considerably, the lowest claiming they have paid thirty-six billion gold marks and the highest fifty-six and a half billion. According to the Reparations Commission, Germany has paid a mere fraction of the smaller of these two amounts. The figures show that the cash payments made have been far less than sufficient to pay for the army of occupation. Germany has been making both ends meet by importing large quantities of foreign goods and paying for them with marks that have become utterly worthless. Foreign nations have in this way lost about two billion dollars and Germany has obtained from abroad far more than she has paid in cash reparations.

In a statement issued by Germany headed: "Our Performances Under the Peace Treaty," appear such items as the following:

	Gold Marks
State property in ceded territories	5,400,000,000
Abandoned materials	1,800,000,000
Loss of claims on Germany's Allies	7,000,000,000

The last item is an extraordinary one. Germany advanced to her allies during the war about seven billion marks. By Art. 261 of the Peace Treaty she transfers any claims she may have on Austria, Bulgaria or Turkey to the Allies. There would have been no chance in any case of Germany receiving anything from these countries. Nevertheless, Germany claims that she has paid seven billion gold marks by agreeing to forego these absolutely worthless claims.

The German valuation of ships delivered is over seven billion gold marks. The value per ton claimed is absolutely fantastic.

One billion marks is claimed for the Saar mines, and in two other official statements mks. 1,100,000,000. On the basis of British valuation of coal mines the value would be mks. 120,000,000 gold, and British coal is far superior to Saar coal.

With two or three insignificant exceptions all the items in the claim are as extraordinarily overstated as the few mentioned. It is obvious that most of the items cannot give relief to the French and other peoples impoverished by the war. The state property in ceded territory consists of forests, public buildings, etc. Only a few items, and these minor ones, are available for reparations.

There is a striking difference between Germany's present valuation of some of the items and those made in 1913 by Dr. Helfferich, a former director of the Deutsche Bank and Minister of Finance during the war, in a book which he published to show that Germany was richer than either France or England, and in which he overstated rather than understated values. He valued all German mines (copper, zinc, lead, coal) at mk. 5,000,000,000. The relatively unimportant Saar coal mines produced one thirteenth of Germany's coal. On his basis of valuation the figure of mk. 400,000,000 placed upon these mines by the Allies would be high in proportion; yet the German valuation is now mk. 1,100,000,000, an obvious huge exaggeration.

Again Dr. Helfferich valued the whole of Germany's merchant marine and inland shipping at mk. 1,000,000,000. Nevertheless, the German official statement puts the value of shipping ceded to the entente at more than four times as much, while that at the end of the war in American hands combined is given as mk. 7,310,302,824, or more than seven times the value put upon all Germany's shipping, both maritime and inland, by Dr. Helfferich.

Mr. Barker then deals with the German claims as to livestock delivered and shows that Belgium has had returned to her less than one-third of the horses, about one-eighth of the cattle, none of the 250,000 pigs, and one-fifteenth of the poultry which she lost by German confiscation during the war. In France the losses of livestock and the numbers returned stand in a similar proportion.

It is widely believed that Germany has been greatly impoverished by the Allies, that under-feeding is general, and that the people die like flies, especially the aged and the children. Seeing that two millions of the healthiest and strongest Germans fell in the war, that the middle class have been utterly ruined by the collapse of the mark, and that Germany has received about a million refugees, who had starved in Russia, Poland and elsewhere, and who brought with them typhoid and many other diseases, it would not be surprising at all if the death rate were very high. But the reverse is the case. The fact that Germany is prosperous may be seen by the excess of births over deaths and by lack of emigration. The following is the excess of births over deaths during the last three years, for which figures are available:

1919	282,120
1920	666,358
1921	686,655

The well-being of the German masses is attested not only by the very great excess of births over deaths, but also by the extraordinarily low death-rate among the people in general and among infants. Post-war and pre-war death rates compare as follows:

		General Death Rate	Death Rate Infants Under 1 Year
1911	Pre-war.	18.2	19.2
1912	"	16.4	14.7
1913	"	16.8	15.1
1919	Post-war	16.2	14.5
1920	"	15.9	13.1
1921	"	14.7	13.3

The figures given are so striking that comment seems superfluous.

With reference to coal deliveries Mr. Barker shows that Germany's coal shortage was caused not by reparation deliveries, but by gross underproduction. In 1913 the Ruhr output was 114,000,000 tons with 427,000 workers; in 1922 the output had fallen to 97,000,000 tons, although the workers had increased to 561,000. Production per worker per year is equal to only about 60 per cent. of the pre-war production. Had the coal miners in Germany produced as much per year as before the war, Germany would have been able to supply all the reparation coal demanded; she need not have imported any foreign coal, and she might, in addition, have had an exportable surplus of about 40,000,000 tons per year.

Germany's capacity to pay depends on her physical wealth and upon the energy with which the national resources are exploited by the people. Owing to her physical and human resources Germany is undoubtedy the richest nation on the continent of Europe, and she is in all probability even richer than Great Britain. Germany is far richer in coal than Great Britain. She also possesses enormous lignite deposits, a great wealth of peat and timber, and her water courses can provide millions of hydro-electrical horse-power. Her store of potash and of salts of every kind is absolutely inexhaustible.

Unfortunately, since the end of the war, under-production has become universal in Germany. Production has shrunk 60 per cent., not only in the case of the Ruhr coal, but in mining in general, in agriculture, in the manufacturing industries, etc. That is the estimate officially given by the German statistical office. On the other hand, consumption has not diminished to a similar extent. The nation consumes considerably more than it produces, spends considerably more than it earns. Millions of acres have gone unnecessarily out of cultivation.

The financial position of Germany may be deplorable, but the real wealth of the country has scarcely been diminished. The great resources of Germany are still there, and they can produce unlimited income. The mechanical outfit of the country has been vastly improved. While Great Britain has taxed itself to the utmost ever since 1914, Germany has been taxed very lightly.

Nominally German taxes may be high. On paper they may even be the highest in the world. However, the amounts collected are trivial. Business men who have been vastly enriched by the wiping out of their indebtedness, pay next to nothing. It is a well-known fact that the bulk of the national income goes to manufacturers, merchants, agriculturists, etc. Income tax for these ranges up to 60 per cent., while a nominal ten per cent.—in reality considerably less—is deducted from wages. Yet during February the income tax yielded the following most extraordinary results:

Received from trade, industry, agriculture, etc., Mk. 6 millions; received from wage deductions Mk. 97 millions.

Practically the whole of the income tax is paid by the working classes.

On the basis of the receipts of the last few months, German tax revenue comes only to about $200,000,000 per year, and half of that insignificant sum is returned to the people in the form of subsidies of every kind. As increased on March 1, the third-class fare on fast trains is one cent for every five miles, foreign letter postage is 1½ cents, domestic letter postage ½ cent, postage on parcels of eleven pounds 2½ cents, etc. In consequence of these ludicrous charges there was an estimated deficit on railways and post-office last year of two million marks.

The trifling amount of revenue received is wasted in every direction. There is not the slightest doubt that Germany is very lightly taxed. In Great Britain nearly one-third of the wealth is claimed by the tax-collector. In Germany the proportion is about one-thirtieth. Inflation makes it easy to avoid paying taxes. People pay old assessments in greatly depreciated money. It is quite understandable that the industrialists, agriculturists and merchants are absolutely opposed to the stabilization of the mark.

Germany can undoubtedly pay very large amounts in reparations in view of the vast wealth which she possesses. However, at present taxation does not even suffice for her domestic requirements, although she has practically no army or navy, and although her national debt has been reduced to almost nothing by the collapse of the mark.

INSURANCE LICENSES

During the week a number of insurance companies have received licenses to extend their business. They are:

The Tokio Marine and Fire Insurance Company, Limited, to write inland transportation insurance; The Royal Insurance Co., Ltd., to sell tornado insurance; The Liverpool-Manitoba Assurance Company, The Quebec Fire Assurance Company, and The Globe Indemnity Company of Canada to issue sprinkler leakage insurance.

The Quebec Provincial Government has decided to establish an insurance fund whereby families of officials of the Superior Courts and other civil departments will be provided for upon the death of the employees.

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OLD CHUM
The Tobacco of Quality
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and in packages

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More ordinary Canadian Business in force than any other Company.
Greater gain in ordinary Canadian Business in force than any other Company.
The Great-West Life Assurance Company
Head Office Winnipeg

The Wabasso Cotton Company, Limited
THREE RIVERS, P. Q.
Manufacturers of Fine White Cotton, also Spinners' Fine Counts of Yarns

Do Not Risk Your Money
in doubtful stock promotions which "high-power salesmen" are continually foisting upon the public. Make the
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FIVE AND ONE-HALF PER CENT.
interest, payable half-yearly, by investing in the Bonds of the Canada Permanent Mortgage Corporation, one of Canada's oldest and strongest financial institutions. It was founded in 1855, more than twelve years before Confederation, and from small beginnings has grown till it now has
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MINING NEWS FOR THE INVESTOR

A WAY TO SOLVE HYPHEN PROBLEM OF GREAT NORTH

Corless of Mond Company Discusses the Pre-Cambrian Area

To the Editor,
THE FINANCIAL POST.

Sir: In your issue of July 27 you made kindly reference to my address, delivered April 16 to the Canadian Club of Toronto, on "The Physiographical Cause of Many of Canada's National Problems." The address was, of course, on the pre-Cambrian area, which comprises well over one-half of Canada. The title was intended to suggest the angle from which I wished the audience to view this great area.

With your kind permission I will quote two paragraphs, which may perhaps suggest to others of our fellow Canadians the fundamental cause of some of our national problems that are receiving much public attention to-day. A clear realization of this deep-seated cause should tend to unite us in rational efforts to solve them. Such united, intelligent efforts will be more fruitful than worrying our much-harassed politicians, who are no more responsible for these natural difficulties than they are for being born in Canada rather than in China.

The sooner Canadians come to have a clear and adequate knowledge of the nature and magnitude of the cause of these national problems, just so much the sooner shall we cease fumbling with them and begin to make real progress toward their solution. This knowledge, I suggest, should be widely disseminated through the press and through our schools and colleges. All such problems are part of the greater problem of adjustment of our national life to great natural conditions. Two of the chief functions of our educational system and of our press should be to impart knowledge of the conditions affecting our national life and to develop national intelligence so as to cope more effectively with these conditions. This knowledge must be of the greater and more-important conditions rather than of the smaller and less important. Naturally the most vital knowledge in the development of a new country is knowledge of the country itself—not merely scraps of information, but related, proportionate and properly weighted knowledge.

The two paragraphs referred to were:

"The Laurentian Highland—the Source of National Problems"

"This vast Laurentian Highland, stretching from the St. Lawrence and Atlantic westward to Great Bear, Great Slave, Athabasca and Winnipeg Lakes; extending from Superior and Huron northward to well within the Artic Circle; and surrounding the great northern mediterranean, Hudson Bay, which has more than 350,000 square miles of surface; is the physiographical cause of many, if not most of Canada's greatest national problems. Nor are these problems merely geographical; they are also economic, sociological and political. This great physical feature separates and isolates Canada's western and eastern agricultural populations; it hampers their efforts and lessens the value of their produce; it hinders the unification of ideas; it thus gives rise to divergent political views; it prevents easy assimilation of in-coming peoples; it has baffled our understanding to such an extent that our failure to grasp its meaning, to grapple effectively with it, to seize its rare opportunities, to develop it in place of ignoring or exploiting it, has been and is one of the greatest causes of our steady loss of population; it is also the cause of our fuel problem, at present so urgently demanding solution; and it is, at bottom, the cause of our great railway problem, the solution of which must, in great part, become interdependent with the solution of the fuel problem. From Winnipeg, almost on the contact of prairie and highland, to Toronto, Montreal and Quebec, rail distances of twelve to fifteen hundred miles, our three transcontinental lines traverse this almost unpeopled area. Enormous in extent, most ancient and complex in geological formation, denuded of most of its soil by recent glaciation, this pre-Cambrian Shield, as it is conveniently called in order to remind us of its great geological age, gives rise to a series of profoundly difficult national problems that challenge the intelligent, courage, and enterprise of all Canadians who are deeply interested in the development of their country. It is not mere rhetorical use of hyperbole to say: If you wish to understand Canada and Canadian problems, study the Laurentian Highland.

Conclusion

"I have referred to this vast pre-Cambrian area as the physiographical cause of many of Canada's most difficult national problems. The more you study the relation of this area to the well-settled areas of Southern Quebec, Southern Ontario and the Western Prairie; the more you reflect on our national tendency to develop, or even in some cases to over-develop, our comparatively restricted agricultural areas, to the almost total neglect of this greater part of our country; the more you consider the position of the 5,000 miles of railways already built in this territory, their original purpose being chiefly to connect the relatively small and isolated extensions into Canada of the continental plain; the more you come to realize how vast, how compact and how unique is the physical feature, when compared with other parts of Canada east of the Rocky Mountains; the more deeply, I am sure, you will be impressed by the greatness of the problems to which it gives rise; by the reality of its causal relation to them; and by the urgent need of substituting close attention to, and study of, the cause of these problems, for comparative neglect. This group of problems is so vital to our national welfare that we must solve them or risk national disintegration. It is with the hope of conveying to you an outline of this cause, and of awakening a deeper interest in the study of it, that I consented to address you to-day.

"We cannot hope to grow into a strong and unified nation by developing our country in isolated patches, which our natural instinctive love of agriculture has caused us to do. We must make a close study of the intervening area, with a view to its orderly development, not to its exploitation.

"It is my opinion that in our mineral wealth, as yet chiefly undiscovered, which we now have such irresistible reason for believing to exist, will be found the best clue to a sound solution for this group of problems. Forest industries, farming, hunting, fishing, production of hydro-electric power, even holiday-making will all be contributory to the solution. But the key to the solution, the one allurement that will cause men to face the rigors of the north, even beyond the climatic range of profitable agriculture and forestry, will be the hidden mineral wealth, for the discovery of which Nature has by glaciation left the door of her treasure-stocked basement temptingly ajar."

C. V. CORLESS,
Canadian Manager,
Mond Nickel Co.

Coniston, Ontario,
August 3, 1923.

POWER PROBLEM IN NORTH HAS EASED; ALL MINES GOING

Many Properties at Stage Where Juice is Needed

The power supply, the most vexed question in connection with Northern Ontario mining, in the last few years has eased materially since June 15 and for the present has ceased to be a cause of worry. The Northern Ontario power brought in its first big Sturgeon Falls unit and the second should immediately follow. The Northern Canada has one unit in and the second is being rushed. The result is that the three big users, Hollinger, Dome and McIntyre are being cared for. Vipond, Davidson, Clifton, Consolidated West Dome Lake have power. Night Hawk Peninsula, Paymaster, Goldale, Newray, Hayden and several smaller operators are also expected to get the juice they require.

The real relief, the power from Des Quinze is not to be expected before late in 1924 at the earliest, but a most promising sign at the present is that all the large storage basins are well filled.

There seems to be a doubt as to Hollinger going ahead with its plant north of Cochrane. Tenders are in for the installation of a 25,000 h.p. unit, but there seems to be a feeling that the big mine may do as McIntyre did in regard the Sturgeon development, turn it over to the Northern Ontario retaining first claim on the amount of power produced. Such a move would not be without great benefit to the Hollinger shareholders. It would mean that the large surplus, now held to take care of power development, could be distributed to the shareholders in dividends.

The next interesting property to get power will be Matachewan Canadian. It and Night Hawk Peninsula will have first claim on the second unit of the Northern Canada development.

British Mining From South Africa to Canada

From Our Own Correspondent

MONTREAL.—Another significant visit to Canada is that of Col. R. C. Feilding, the British mining engineer, who is out here to look over Porcupine and Kirkland Lake on behalf of a group of British capitalists. Mr. Feilding is the engineer who examined the Davidson property for Sir Archibald Mitchelson and his group. Col. Feilding is very optimistic regarding Canada and said this week:

"Canada in my opinion is destined to become the world's greatest gold producing country, and it certainly offers far more prospects in this direction at present than any other country I know of.

"South Africa has reached its zenith as far as production goes. England needs new fields to draw upon for her supplies, and I have come over here to thoroughly look over the situation."

Work Going Ahead On Hattie and Beatty

From Our Own Correspondent

MONTREAL.—A group of business men in this city, associated with English capital, are backing the development work at the Hattie and Beattie gold properties in Northern Ontario. The shaft is down 400 feet on the Hattie and over 100 feet on the Beatty. Both shafts will be carried down to 500 feet and cross cutting will be carried on from that level and from both shafts to a converging point.

The Duke of Manchester with W. W. Butler, of the Canadian Car and Foundry and party visited the properties last week and declare themselves much impressed with the showings of ore.

WRIGHT-HARGREAVES

During the six months ended June 30 the Wright-Hargreaves mine produced over $400,000 in gold in spite of attention being directed toward development to much greater depth and the extension of drifts along the upper levels. Monthly production has ranged from upward of $60,000 to close to $80,000 from ore averaging around $10 a ton.

RULING PRICE OF SILVER AND OTHER METALS

	August 1	2	6	7
Silver— London (pence)	30 15-16	13 15-16	——	——
New York	62¾	62¾	——	——
Copper	14½	14½	14⅜	14⅜-½
Lead	6.50	6.50	6.50	6.50
Zinc	6.20	6.20	6.15	6.15

WIDER USES FOR NICKEL WILL AID CANADIAN MINES

Mond Nickel Reports Metal Now Used in Cooking Utensils

From Our Own Correspondent

MONTREAL.—Canadians are much interested in the widening markets for nickel throughout the world. This country controls the bulk of the world's supply of nickel, but it has not been as great a source of wealth to the conutry as it might have been simply because the uses of nickel are limited in number and scope and the Canadian nickel mines have not been able to market the product up to the limit of their production capacity. Nickel in the past has been used largely in armaments.

Some of the companies have carried on advertising campaigns to promote the use of nickel or alloys of nickel. Such, for instance, has been the campaign of the International Nickel Company to sell monel-metal which is something in the nature of a natural alloy of nickel and other metals. The Mond Nickel Company was successful in getting a nickel coin adopted in Canada. There has, however, been no broad scale attempt on the part of the companies to get together and make industry and the arts consume larger quantities of nickel.

The opportunity for a world-wide advertising and educational campaign has not been taken.

Mond Company's Record

The efforts to promote the wider use of nickel have been individual efforts by the different companies and not joint attacks but nevertheless they have been somewhat successful. At the annual meeting in London the other day of the Mond Nickel Company, which has a mine and refinery in Northern Ontario, the chairman, Sir Alfred Mond, stated that the demand for nickel, which had been at a very low ebb, had sustained a very considerable improvement which at present was maintained, and their turnover and deliveries had been satisfactory. Their production had been increased and their works were well employed, but the prices which had been ruling owing to a somewhat unrestrained competition from a good many sources had been lower than at almost any other period of the industry, and had counteracted to some extent the benefits derived from the larger sale and the larger productoin.

New Uses for Nickel

The chairman proceeded to draw attention to the changes which had taken place in the uses of nickel since the war. Previous to the war, he said, probably 50 per cent. of their nickel had gone to steelmakers for armaments and 50 per cent. for the production of non-ferrous alloys and pure nickel products, whereas last year only 12½ per cent. had gone to the former and 87½ per cent. to the latter.

The use of nickel for coinage was increasing, many countries now replacing their paper currency with nickel. The Italian government, for instance, had recently placed large orders for the supply of pure nickel coinage, this company obtaining the contract for the supply of the raw material. A similar contract had been obtained for one of the Baltic States. They had also supplied considerable quantities of nickel for other pure nickel and nickel-bronze currencies in various parts of the world. The use of nickel for cooking utensils was also on the increase, and when it was more appreciated by the public he thought that its use in that connection would be greatly increased.

INTERNATIONAL NICKEL

The International Nickel Company for the quarter ended June 30, reports profits of $204,802 after taxes, changes and depreciation, or four cents a share on common, as against a loss of $59,575 in the second quarter of 1922.

Mining Stock Quotations

Week Ending Aug 7

	High	Low	Close	Sales
Atlas	5½	5¼	5¼	9000
Argonaut	85	82	82	17000
Baldwin	7⅝	6½	6½	39000
Beatty	15	13¼	15	7500
Beaver	33¼	32¾	32¾	5000
Bidgood	9⅝	8¾	8¾	23000
Buckingham	12¼	11¼	11¼	34000
Castle Trethewey	25¼	24¾	24¾	16000
Chaput Hughes	7	—	—	10000
Coniagas	2.65	2.45	2.45	400
Columbus	11	—	—	1000
Cons. Smelters	25½	25	25½	1221
Con. West Dome	25¼	23	23¾	86500
Clifton	17½	16	16	28500
Crown Reserve	59	55	59	11700
Davidson E. R.	6¼	5¼	5½	2000
Dome Mines	35.75	35.10	35.10	435
Gold Reef	2⅝	2½	2½	11000
Goldale	54½	53	53	6000
Hattie	29	25½	25½	59500
Hillcrest, com.	69	—	—	1
Hollinger	11.90	11.75	11.80	2130
Hunton	9¼	9	9	3000
Keora	10	9	9	4300
Keeley	1.70	1.69	1.70	3600
Kirkland Lake	33¾	32½	32½	2600
La Rose	31¼	—	—	1000
Lake Shore	3.45	3.35	3.40	4680
Lorrain	23	20	20¾	129700
Montreal-Ont.	45	40	40	1000
McIntyre	16.90	16.60	16.70	1235
McKinley Darr.	17	16	16	1800
Mining Corp.	2.25	2.00	2.25	700
Moneta	19¼	19	19	3000
Newray	43	42	42	15500
Nipissing	5.60	5.50	5.51	1290
Peterson Lake	9½	9	9	250
Porc. Crown	10½	—	—	1000
Preston E. Dome	11	10½	11	22500
Teck Hughes	1.23	1.05	1.05	123600
Timiskaming	36½	36	36½	450
Thompson Krist.	4½	—	—	3000
Tretheway	4½	4¼	4½	8000
Vac. Gas	2¾	—	—	2000
Vickers	35½	35	35	8000
Vipond Cons.	67	64	64	15000
Wakenda	5½	5¼	5½	2000
Wasapika	6	5	5¼	46000
West Tree	9	8½	8½	33000
Wettlaufer	7	—	—	500
Vright Hargreaves	3.00	—	—	400
New York Prices				
Int. Nickel, com.	12⅝	11⅞	11⅞	4700
McIntyre	16⅛	16	16	500

HOW NEW 6 PER CENT. SALES TAX WILL WORK OUT

Outline of Application With Deductions and Refunds

The application of the new 6 per cent. sales tax to go into effect January 1, 1924, is outlined in a circular issued by the Canadian Manufacturers' Association:

A Sales Tax of 6% is imposed on the sale price of all goods produced or manufactured in Canada, including the amount of Excise Duties when the goods are sold in bond, payable at the time of sale, and on the duty paid value of all importations, payable at the time when taken out of warehouse. The Sales Tax shall not apply:

(a) On goods exported.

(b) On goods sold by one licensed manufacturer to another licensed manufacturer, or to a licensed wholesaler.

(c) On goods imported by a licensed manufacturer or by a licensed wholesaler.

(d) On goods, principally foodstuffs, which are exempted from the Sales Tax now in force and on the following additional items:—Manuscript; Raw Furs; Wool, not further prepared than washed; Drain Tiles for agricultural purposes; Syrups; enumerated in Customs Tariff, Item No. 140.

When goods are sold by a licensed manufacturer or a licensed wholesaler to an unlicensed wholesaler or jobber, the purchaser shall be furnished with a written invoice of the goods sold, which invoice shall state separately the amount of the Sales Tax.

When goods are sold by an unlicensed wholesaler or jobber to a licensed manufacturer, the purchaser shall be furnished with a written invoice which shall state separately the amount of the Sales Tax.

Refunds.—A refund or deduction of the amount of the Sales Tax may, with the consent of the wholesaler, jobber or dealer, be granted to a licensed manufacturer or producer on goods purchased from a wholesaler, jobber or other dealer if such goods are to be used in, wrought into, or attached to articles manufactured or produced for sale by a licensed manufacturer and which are articles subject to the Tax.

A refund of the amount of the Sales Tax may be granted to a licensed manufacturer or a licensed wholesaler in respect of goods which he has on hand on the first day of January, 1924, if such goods have been, or are to be used in, wrought into, or attached to articles to be manufactured or produced for sale and which are articles subject to the Sales Tax, such deduction not to exceed the amount actually paid by the said manufacturer or wholesaler, no deduction to be allowed in respect of such goods not accounted for prior to the thirty-first day of March, 1924. Claims for such deductions must be presented to the Department of Customs and Excise with complete evidence on or before the thirtieth day of June, 1924, otherwise same shall be rejected.

When goods are imported free of duty there may be granted a refund not exceeding 25% of the Sales Tax on similar goods after having shown to the Minister of Customs that such Canadian goods are at a disadvantage in competition with goods imported free of duty.

Deductions.—A deduction from the Sales Tax may be granted in respect of goods sold at a fixed price by bona fide contract and sale made before the twelfth day of May, 1923, and still in force at time of delivery of goods, provided that such deduction shall not exceed the difference between the amount of the Sales Tax calculated at the rate in force on the eleventh day af May, 1923, of the amount of the Sales Tax paid or to be payable under the present Act. No such deduction shall be made in respect of goods delivered after the thirty-first day of March, 1924. Claims for such deductions must be presented to the Department of Customs and Excise with complete evidence before the thirtieth day of June, 1924, otherwise the same shall be rejected.

Talk of Dividends by Mining Corporation

It is reported from Cobalt that there is a possibility that the Mining Corporation, through the development of its South Lorrain holdings, will be able to resume dividends next year. According to the Northern Miner, favorable results are being experienced and before the year is out property purchases will be paid for as well as costs of machinery and preliminary work. The new year will be started with considerable cash to the good, and, with steady and profitable production, a distribution should shortly thereafter be possible.

It is the Corporation's hope to keep the 300-ton mill at Cobalt going with ore from South Lorrain handled in conjunction with rock secured from Cobalt clean up lease. To do this, a railway connecting Cobalt with South Lorrain would be necessary. Without such a railway the company will perhaps be forced to close its big mill and put up a smaller plant at South Lorrain.

the number of pelts of all kinds was 4,366,790, an increase over the previous season of 48 per cent. These figures comprise pelts of animals taken by trappers and pelts of ranch bred animals.

According to the annual report of the British Columbia department of labor, 2,809 employers of labor in this province paid out in salaries and wages $86,192,190 during the year 1922. The preceding year there were 2,275 employers and they paid $79,742,380 for labor. Seventy per cent. of industrial workers in the province are of British origin.

Speaking of the prospect for resumption of dividends on Mining Corporation, Forrest, Dobie & Co., say: As the production since the new year has been officially announced as at the approximate rate of over 2,000,000 ounces of silver per annum; equal to over one-third of the capital at present prices, or about 15% at par, the early consideration of resumption of dividends seems justifiable. Especially is this so in view of the profitable operations carried on so far on only a small portion of the property and the large area yet to be worked. The strong liquid position and profit and loss surplus already established seem ample under the circumstances. Certainly the values behind the shares would appear to greatly exceed their recent market price. High grade silver ore can so much more more quickly be converted into cash than gold bearing ore, that the corporation with its facilities for increasing production should find itself ready to resume dividends at a comparatively early date.

LARGE AREAS OF FINE WHEAT IN SASKATCHEWAN

(Continued from page 1)

and there have been some heavy rains in places as usual where they were not needed, but it is probable the cold weather was the best thing that could have happened as it undoubtedly helped to check rust development.

Saskatchewan is going to have a lot of good wheat and cutting has started in some limited areas. The best crops seen this week, that is best from the standpoint of being most nearly out of danger from frost are those seen between Assiniboia and Admiral, on the Weyburn Lethbridge line, and Swift Current and Lancer on the Empress line and from Maple Creek to Swift Current on the main line from Stanley to Davidson on the Canadian National lines.

THE FREE PRESS REPORT

Prospects For the Total Yield Considerably Reduced

WINNIPEG.—In its fifth crop report The Manitoba Free Press says that the exceedingly favorable prospects that have been maintained throughout the summer have to some extent vanished during the past three weeks.

"While conditions in Alberta," continues the report, "are still very favorable and the best crop since 1915 is anticipated, the crops in parts of Saskatchewan have suffered deterioration from rust, heat and too much moisture."

In Mantioba the loss caused by rust, heat and saw-fly has been very heavy, practically every district being more or less affected, and in the central and southern areas reports received from correspondents would indicate that the good yields promised three weeks ago have been cut fully in half.

Wheat cutting will not be general in Manitoba for another week or ten days. The damage from black rust is estimated from slight to 60 per cent. The great majority of Manitoba correspondents report that the heads are not filling to the top. Labor is scarce in some districts, with wages from $3.50 to $4 per day.

In Saskatchewan wheat cutting will be general about August 20. Labor is scarce, wages running from $3.50 to $5 per day.

In Alberta the outlook is very encouraging. The province is practically free from rust and the heads are, on the whole, being well filled. There has been very little damage from grasshoppers and hail. Cutting should be general by August 20 or 25. Most districts report a labor shortage, wages being from $4 to $4.50 per day.

Miners and Owners to Try to Get Together

The board of concillation on the wage controversy between the mine workers and Ontario mine owners has returned an open report, with the suggestion that, in view of no decision having been reached, the men and the operators should get together looking to a settlement; it is suggested that action be taken before the 15th of August.

The evidence submitted indicated that the men were being paid the highest rate of wages of any miniing field in Eastern Canada, and that in view of the scale of prices prevailing in the company stores the cost of living was no higher than in other districts.

TECK-HUGHES

July output of Teck-Hughes was valued at $80,500, according to advices received from New York by Arthur E. Moysey & Co. This total is slightly lower than for previous month, owing to interruptions in power service during the month and owing to two days' loss as result of break in the ball-mill.

INDIAN MINES

R. L. Clothier, mine engineer of the Indian Mines in British Columbia, has forwarded the following message to Toronto and Montreal directors: "Have encountered big ore body in No. 1 on north south strike with slightly easterly dip. Have driven 50 feet on ore, which improved rapidly. Now have two feet $60 ore, and rest of face about $15 ore. Think body very wide, and looks like junction of northwest with north south, with ore on both strikes."

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EASTERN ENGINEERING
A comprehensive review of the financial and physical aspects of the Eastern Engineering Company (Attendu Engine) is being prepared by T. K. D., and when completed will be mailed on request.
In the meantime, we shall be pleased to review the prospects of the Eastern Engineering Company with anyone desiring to write or to make a personal call at this office.
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Mining Hand-book of Canada For 1923
Copies of this little booklet, which gives valuable information concerning Northern Ontario's Mining Companies, can be obtained without charge by a postcard addressed to, or a call at the office of
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NEWS OF THE BANKS AND BANKING

SENIORITY VS. ABILITY AS A SALARY BASIS

Branch Manager Discusses Phases of Salary Question

The provision of suitable homes in smaller communities and the recognition of greater ability in the salary scale, are two phases of the bank manager problem dealt with in the following contribution sent in by a manager in a Saskatchewan town. The banks, he argues, are thus failing to capitalize loyalty and enthusiasm in building up business. Other contributions discussing this question will be welcomed.—J.W.T.

The article on "The Banks Face Keen Demand For Higher Salaries" in THE FIINANCIAL POST of 27th instant will be noted with considerable interest by a great many Canadian bank branch managers. The salary of the average bank manager is certainly not in line with present day conditions and compares most unfavorably with the salaries offered in other businesses. Unless adjustment is made, ambitious men will naturally gravitate to positions where there are greater rewards for initiative, ability and application. Many bank managers are chained to their positions because they have not the means to get out and look for better positions—I refer more particularly to men in places at distance from where their services might be in demand—which is not a healthy position for those men nor for their employers.

Seniority vs. Ability

It seems to me that too much regard is given to seniority and not sufficient to ability. On salaries which barely meet the necessities of existence—which is the case of the average Canadian bank branch manager—the men are naturally exercised over their personal difficulties and on the lookout for something else to do. It follows that their preoccupation with their personal interests results, though unintentionally, in less business for their branches. If the same men were paid on a more liberal basis, inducing satisfaction, and add to that the fact that nearly all branch managers are fond of their work and are intenesly loyal to their respective institutions, does it not follow that those men would be more efficient and that their greater efficiency would have beneficial results in the business of their respective banks?

There are difficulties besides salary. Take the case of a married man attached to a branch where there is no living accommodation provided by the bank and where he cannot rent. He has to build and thereafter has to carry a heavy house loan, which he can never repay. The banks might well consider taking over such houses and charge their managers a fair rental therefore. In some cases the banks do own houses and in others supply quarters over the offices. In this way, one manager labours under an obvious handicap while another enjoys a distinct advantage.

Most of us love our work, and, if the adjustments which seem desirable were made, I believe more business and larger profits would follow. The managers who are inefficient and make losses might well be dispensed with, and branches which are not now, and are not likely to be, profitable, should be closed and their overhead eliminated.

BANKERS CELEBRATE

A Big Sports Program Arranged at Calgary

Members of the staffs of the Calgary banks held a regatta and sports celebration at Bowness this week. The members of the program committee were James Anderson, of the Royal; A. D. A. Long, of the Commerce; A. G. Rowe, of the Imperial; J. K. White, of the Montreal; H. H. McKinnon, of the Union, and C. F. Thompson, secretary. A number of athletic and aquatic events were arranged including canoe races, swimming races, greasy pole walking, tilting, running races, thread and needle race, three legged race, egg and spoon race and a tug of war.

Weekly Bank Clearings

(In comparison with same week last year)

EASTERN CITIES

	Aug. 2, 1923	Change	%
Toronto	$105,576,290+	$11,267,231	11.9
Montreal	95,036,676—	1,267,880	1.3
Hamilton	6,338,592+	467,285	7.9
Quebec	6,808,071+	388,441	6.5
Ottawa	5,225,190—	1,445,265	21.5
Windsor	3,585,288—	597,108	14.2
Halifax	2,979,746—	241,091	7.4
London	3,488,758+	638,653	22.4
St. John	2,409,238—	688,932	22.2
Kitchener	930,842—	22,517	2.3
Brantford	929,528—	231,677	19.9
Sherbrooke	768,166—	238,657	23.7
Moncton	711,956—	289,847	28.9
Peterboro	638,395—	80,790	11.2
Kingston	562,678—	123,705	18.0
Total East	$235,519,414+	$ 7,534,141	3.3

WESTERN CITIES

	Aug. 2, 1923	Change	%
Winnipeg	$ 39,152,106—	$ 1,005,936	2.5
Vancouver	13,655,338—	431,766	3.1
Calgary	4,199,776—	138,116	3.1
Edmonton	3,490,811—	345,154	9.0
Regina	3,168,021+	75,963	2.4
Victoria	2,079,699—	610,280	22.6
Saskatoon	1,703,025—	102,284	5.6
Moose Jaw	1,064,746+	85,631	8.7
Ft. William	881,608+	33,020	3.9
Brandon	575,721—	203,260	26.1
N. Westminster	520,372—	106,499	17.0
Lethbridge	485,552+	9,810	2.0
Pr. Albert	299,760—	66,549	18.1
Medicine Hat	247,559—	27,199	9.9
Total West	$ 71,524,094—	$ 2,832,619	3.8
Grand Total	$307,043,508+	$ 4,701,522	1.5
Year to date	$9,283,031,797—	$36,774,167	.3

Business Men Should Enunciate Empire Policy

From Our Own Correspondent

NEW YORK.—That the Dominion Government should call a conference of Canadian bankers and business men to formulate a policy to be presented as the Canadian policy to the Imperial Economic Conference, is the opinion expressed by George Wilson, assistant general manager of the Union Bank of Canada, in the current issue of the Bankers' Magazine. He expresses the hope that Canada will lead the way in bringing about a greater degree of Imperial unity.

MANY CHANGES TAKE PLACE IN STAFFS OF BANKS

Resignations Make Chances For Workers to Move Up

The many changes necessitated in the staffs of the branch banks at the present time, because, no doubt, of the large number of bank men going into other business careers is illustrated by the following story from THE FINANCIAL POST'S St. John correspondent. There is also something of encouragement here as indicating the opportunities in the bank for the men who make good under difficulties.—J.W.T.

Not in the history of banking in the Maritime provinces have there been so many changes in managers. The year 1923 will go down in banking annals as a year of numerous transfers to and from the maritime provinces. In some instances managers have been transferred from western Canada to the Atlantic seaboard, and from the Atlantic seaboard to Ontario. And intra Maritime changes have been very frequent. In some cases, managers have been in their new spheres but a few weeks when notice of transfer is again given. Managers who have been ten years in Maritime posts have been called on to leave. In many instances the notices came unexpectedly.

The young manager of a small branch thought he was not getting a square deal in his transfer to another and more isolated as well as smaller branch. He was on the point of sending in his resignation in the heat of his anger, at what he considered a demotion.

But before he made the decisive move that would have relegated him into the ranks of the unemployed, he sought the advice of a retired manager who was spending some months in the same town. The retired banker mulled over the question for a few minutes, then asked a series of questions. He then reached the conclusion that the young man's superiors were not demoting him but rather promoting him, although the general public and banking circles particularly might place a different construction on the transfer.

"You just go ahead and put that branch above water, and you'll find whether it is the intention of your superiors to demote you or not," advised the older man. The young man accepted the transfer without another murmur. And after six months of hard work, at the close of which the outlook of the bank had been considerably brightened, he was astonished and delighted to receive notice of transfer to one of the best branches in the district. This is an apt illustration of the theory that impulsive young bankers should reflect and consult older and wiser heads before taking radical action.

Five Branches Opened; Fourteen Are Closed

The Canadian chartered banks during the month of July opened five new branches, while for the same period they closed fourteen branches. Following is a list of the branches opened and closed during the month:

Opened

Provinciale—Shawbridge, Que.
Royal—Guanabacoa, Cuba.
Toronto—British Columbia.
Union—Brule Mines, Alta.
Weyburn Security—Neville, Sask.

Closed

Imperial—Peace River, Alta.
Montreal—Sandy Hill, Ottawa; Roblin, Man.; Barons, Bow Island, Olive, Lougheed, Alta.
Nova Scotia—Fortune, Nfld.
Royal—Obispo and Aguiar, Havana.
Sterling—Wilno, Ont.
Union—Blenheim, Ont.; Charlottetown P.E.I.; Keystown, Sask.; Morris, Man.

UNION

R. H. Baird, manager of the main office in Winnipeg, has been appointed assistant to the general manager of the Union Bank. G. S. Orde, of Ottawa, has been appointed manager at Winnipeg, and G. A. Campbell, Peterboro, appointed manager at Ottawa.

Exchange

NEW YORK FUNDS

	High	Low	Last Year High	Last Year Low
Aug. 2	2 7-16	2 11-32	17-32	7-16
Aug. 3	2 15-32	2⅜	11-32	5-16
Aug. 4	2 5-16	2 5-16	¼	7-32
Aug. 6	....	....	7-32	3-16
Aug. 7	2 5-16	2 9-32	7-32	...
Aug. 8	2 13-32	2⅜	¼	7-32

STERLING, FRANCS AND LIRE

	Sterling Demand	Francs Demand	Lire Demand
Aug. 2.....	4.56⅝	5.76½	4.35½
Aug. 3.....	4.56⅛	5.78	4.34
Aug. 4.....	4.56⅞	5.83	4.34½
Aug. 6.....	4.56½	5.77¼	4.34
Aug. 7.....	4.56	5.69	4.30½
Aug. 8.....	4.56⅜	5.68	4.28⅜

CHOOSING BRANCH BANK MANAGERS IN UNITED STATES

Vision, Adaptability, Application and Enthusiasm Sought

With the expansion of the branch bank system in the United States and the growing conviction that, despite efforts on the part of the small unit banks to stem the movement, it will continue to go on in the interests of efficient service, it may be interesting to consider how the problem of branch management is regarded over there. The following statement on the question is by Harry J. Plogstedt, manager, commercial service department, Union Savings Bank and Trust Company, Cincinnati. —J.W.T.

With the establishment of chains of branches by large banks in various cities has come an appreciation of the real possibilities of the branch manager and assistant manager as factors in the development of these banks. Branch banking has become a science in which the basic element is that of transfusing all the service qualities of the parent body to its branches, in which operation it is essential that the connecting arteries function with unfailing dependability.

The branch manager learns, first of all, that his office must at all times be in full accord with the policies of his organization. This he accomplishes through direct inquiry in cases not covered at regular organization meetings.

The Responsibility

He realizes fully his responsibility to the organization. He does not hamper himself with the thought that his is a mere "job." He appreciates the fact that he is the organization's neighborhood officer, the one most directly accountable for its success in that locality. He executes organization policies. He does not hesitate to present suggestions for improvement of these policies, based on his intimate neighborhood experience. He maintains and develops a close personal relationship not only with his patrons, but with the neighborhood at large, its people, its affairs, its organizations. Office details are so regulated as to permit of such broad contact. He realizes that development depends largely on him and his personal efforts and that he is entitled to and will receive support in any reasonable plans he may propose for securing new business. He is at once the banker, diplomat, executive and personal salesman. Nor does the smallest detail of internal operation escape him. He is constantly alert lest his office should fail to serve each patron with courtesy, efficiency and proper dispatch. His employees are neat in appearance. The interior and exterior of his office are kept clean and inviting. Lobby desks are orderly and properly supplied with conveniences. He sees to it that his tellers anticipate a depositor's wish with a smile. His employees are trained to refer unusual or difficult cases to him. Office morale is maintained. He calls short meetings of his force to discuss office problems and other vital matters. He takes a personal interest in their personal problems. He endeavors to develop his force as business getters. He makes general surveys of his office, equipment and force to discover possible inefficiencies which might retard the growth of his branch. His is no mean responsibility—the branch manager's. His works calls for vision, adaptability, application and sustained enthusiasm. Possessing these, the career of the branch manager is one of unusual fascination and his goal lies wherever his enthusiasm may lead him.

A Politeness Contest Has Desired Effect

At different times, a maritime bank manager received complaints of discourtesy and impoliteness on the part of employees. Some of the best customers of the bank laid complaints, and, on investigation, it was found that much truth formed the basis for the charges.

Believing that courtesy and politeness are absolutely essential in a bank, this manager proceeded to eliminate causes of complaints. He was at a loss for some time to settle on a plan of action, but after some hesitation decided to arrange a politeness contest among the employees. The employees knew nothing of the contest, and they were to be kept in the dark throughout. Calling in ten customers of the bank, the manager outlined the provisions of the contest to them and asked each to act as a judge. At the close of each month, each judge filed his three choices, making the selections from his own experiences with the employees. The manager accordingly gave first place to the employee with the greatest number of votes. Second and third places were also given. The winner of the contest received two holidays per month, the winner of second place, one holiday and the third place winner, a half holiday. The improvement was such that customers of the bank marvelled at it.

Commerce

S. H. Logan, formerly of the Canadian Bank of Commerce, head office, Toronto, and now the agent of the bank in New York, has been elected a member of the Advisory Board of the First Federal Foreign Banking Association in New York.

BANK PROFITS MISUNDERSTOOD BY THE PUBLIC

Turnover is Limited and the Margin is Small

"Why," said a business man to William Leavitt Stoddard, assistant to the vice-president of American Trust Company, Boston, "there is nothing to it. You make three dollars on every hundred and the hundred is not yours to begin with." Mr. Stoddard said he was so astonished that he failed to make adequate reply. When another friend made a similar remark, indicating that the banking business is a mysterious and misunderstood affair to a large portion of the public and that the banks grow enormously rich by the simple process of taking in money at 3 per cent. and letting it out at 6 per cent., he was prepared for him, and replied:

"Take your own figures, money hired at three per cent. and sold or rented at six. What does this mean? There is a gross profit here of three per cent. Gross, not net. Out of that three per cent. must come several items of cost. Then you can get at your real, that is to say, the net profits. There is, for example, rent, salaries, insurance, general upkeep, taxes and supplies.

"There is also to be considered the matter of risk, which is a recognized part of the business, because even the most carefully scrutinized loans sometimes go bad. As a matter of actual fact the net profit often drops to less than two and sometimes less than one per cent.

"Suppose that $10,000 is successfully loaned at a net profit of one per cent. If it is loaned for twelve months the net is $100. But it may lie idle for a while, or it may be loaned four separate times in the year. In the latter case the net will be the same as if it were loaned for a solid year, while the work of making the loans has increased approximately fourfold.

"If you think that a hundred dollars is an exorbitant net profit, what do you think of the net profit of the average retail merchant or manufacturer?"

Mr. Stoddard also makes the point that the banker's profit is limited to one turnover where that of a merchant is not. By wise management and clever salesmanship a merchant can take $10,000, invest it in goods and sell them at a profit several times each year. The oftener he turns over his goods the more he makes. In the case of the banker there is not such increase. A loan discounted for three months brings in one-quarter of what a loan discounted for a year would bring in.

A Lingering Distrust

But there can be no doubt of the point which Mr. Stoddard makes that the banker of to-day is in some quarters the recipient of a portion of the distrust and prejudice which, with justice, used to be heaped on the usurer. He believes that only by persistent education, through repetition of the truth, can people be led to understand the real situation. His views are, therefore, of interest and value to the branch bank manager who is to such a large extent responsible for the relations of the banks and the public.

Undoubtedly one of the things which lead many people to erroneous ideas about banks and banking is the apparent costliness of the bank building. There is a belief that the banks make so much money that they blow it in on fine fixings. Mr. Stoddard deals with this question as follows:

"Take the question of marble floors. Ask any responsible builder to give you facts as to the comparative initial cost of marble, wood, tile, linoleum, or any of the numerous materials that are now used for this purpose. You will be surprised to find the remarkably small difference between the first cost of marble and of any of the other materials. Add to this the cost of upkeep, which is probably greater in other floorings than it is in marble, the advantage of marble in durability, or last cost, and will find that the marble floor is, after all, a relatively inexpensive investment. Much the same process can be carried through with the other items of furniture and office equipment. It is a case where the costliest is, in the long run, the cheapest.

"But even if it were otherwise, why should this be the subject of complaint? A bank's entire public space is a dress place. It must have a certain air and dignity. The business requires it. In the case of the general office of a manufacturing company this does not hold because the factory, not the general office, is the chief thing about it. As well criticize a mill for having the finest machinery, the most up-to-date equipment, as to criticize a bank for having its public quarters handsome, substantial, scrupulously neat and clean."

Do Not Control Industry

Mr. Stoddard also deals briefly with the idea that the bankers control industry. He points out that banks supply industry with financial service and money just as they supply any customer with money under adequate security. They serve industry, they do not control it. When an industry meets with hard times and gets into financial difficulties it is also the function of the bank to lend aid and counsel to the directors, to help them reorganize their affairs. When the bank takes such a course action is directed towards salvaging the bank's own money rather than towards controlling the future of the business. The average bank has quite enough on its hands without attempting to run factories, mines and mills, as all branch managers will agree. —J. W. T.

United States Wheat Crop Being Reduced

WASHINGTON.—A decrease of 28,000,000 bushels in this year's wheat crop was indicated in the United States Department of Agriculture monthly crop report as compared with forecasts made a month ago.

The preliminary estimate of winter wheat was placed at 568,000,000 bushels, or 18,000,000 bushels less than a month ago, and the forecast of spring wheat was placed at 225,000,000 bushels, or 10,000,000 bushels less than last month.

CUTTING OFF NOSE TO SPITE FACE

Canada Used Returns From Cattle Sold in States to Buy Goods

From Our Own Correspondent

NEW YORK.—The monthly bulletin of the National City Bank devotes considerable space in its current issue to a discussion of the American tariff on Canadian cattle. The tariff, the bank thinks, has done the Canadian cattle industry a great deal of harm and the American cattle grower no good. Its general effect, in the opinion of the bank, has been to provoke retaliation of various kinds on the part of both countries. In the case of Canada it has given support to the interests behind the move for the Canadian pulpwood embargo.

"We have heretofore pointed out that every dollar of credit created in this country by the sale of Canadian products is used in the purchase of our products, exports from this country uniformly exceeding our imports from Canada."

PORTO RICO

The Porto Rico Railway Co. has issued the following comparative statement of earnings for June and for the first six months of the year:

	1922	1923	P.C.
For June—			
Gross	$110,556.58	$109,242.03	1.18
Net	42,472.42	35,479.68	16.51
For six months—			
Gross	$655,680.93	$661,584.72	0.90
Net	267,058.28	222,373.03	16.72

Montreal

R. N. Bell, manager of the Belmount, Man., branch of the Bank of Montreal, has been transferred to the branch at Oak Lake, Man.

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THE FINANCIAL POST HAS THE LARGEST PAID CIRCULATION OF ANY CANADIAN FINANCIAL PAPER.

TORONTO, AUGUST 10, 1923

Edited for the thinkers of the nation—those people who analyze correctly and draw proper conclusions and who are responsible for the Nation's sound thought on matters political and economic.

TO AVOID ANOTHER STEEL STRIKE

THE Cape Breton strike of steel workers and coal miners is over and quiet reigns. The Red elements admit defeat. It seems that the troubles of the British Empire Steel Corporation with its workers, influenced by sedition-mongers, are now among the expensive experiences of the past.

In this calm after the storm let there be a moment of reflection. Seeds grow better in a hot-bed than in barren ground. Labor troubles develop more quickly where the conditions are right for their growth than where there are satisfied, contented workers. We can condemn the Soviet influences for inciting to strike and riot at Sydney and at the same time deplore the fact that working conditions are alleged to be less satisfactory than in other Canadian industrial centres. The heads of the gigantic steel group controlling the properties on the Atlantic had the public sympathy in the emergency, but they will not have public sympathy if they take advantage of their victory to pass by the opportunity for establishing intimate contact with their workers; recognizing their problems as human beings and their needs as citizens of Canada.

At Sydney, as in other Canadian industrial centres, understanding and co-operation between employer and employee is going to give Canada the blessings of harmony and growth.

WHISPERING TONGUES THAT POISON TRUTH

"But whispering tongues can poison truth."—Samuel Taylor Coleridge.

"THE Whisper of Death" of the Montreal Star is becoming more articulate. Out of the political undertones there is becoming defined a demand that the railroads be placed under private control. Statistics to show the seriousness of the transportation sinkhole to Canadian taxpayers are being printed, but readers of THE FINANCIAL POST will easily recognize what is now being given to them in the fateful whisper, as the same facts which have in the past been frankly printed in these columns as a business-like statement of matters which those who pay taxes should understand.

Let us not quarrel with The Star's purpose but discuss the effect of this ominous whispering through its own columns and paid publicity in the columns of other papers which are ostensibly copying the articles. THE FINANCIAL POST last week reported how confidence in Canada throughout the financial community in New York was being disturbed. We know of one small American investor—he may have $40,000 or $50,000 here—who was asked to put a few more dollars in one of Northern Ontario's mines. "No, sir," he answered. "You've got me frightened. I am going to take some of my money 'out' of Canada rather than putting more in." It is impossible to say how many thousands of similar good friends of Canada are having their dollars frightened out of Canada by the wailful lamentations of the Montreal Jeremiah.

The Star's campaign is, perhaps, the most hurtful advertising Canada has received in a decade and that is saying a lot in this past few years of bad advertising. And the most dangerous feature of the whole jeremiad is that the articles are based upon some semblance of truth. This "thing" that has been whispered about in directors' rooms and behind turned palms; this awful "something" that hangs over Canada and that is only now put in the spotlight by the heroic self-sacrificing Montreal Star, is not much of a revelation to readers of THE FINANCIAL POST or to those who have read the public addresses of Canadian bank presidents during the past few years. The awful burdens of Canada's debt; the almost insufferable growth in the deficits on the national railways; the increase in the tax burdens to a point where industry is suffering and emigration is being discouraged; these are not news to serious-thinking, probing Canadians. They are the foundations of truth that the Montreal Star's whole fabric of national damnation is built on. There is not a true Canadian who wants to overlook them; who wants to dodge them.

Every man who has a constructive suggestion for the solution of our problems and puts it forward openly and generously is giving Canada a lift upwards. Every man who comes out into public life to give of his time and energy to the nation's business is a patriot and a gentleman. The Star is right in this and in a lot of other features of its campaign. But the Star is wrong in developing a feeling of country-wide hopelessness; in making a fad of despondency. From "our dark dreams tossing to and fro" we Canadians need to be awakened to the unparalleled opportunity of our natural wealth; of vast, arable fields that have never seen the plough; waste lands needing but the immigrant of any creed or race; rocky hinterlands that are the hiding place of gold and silver and other precious metals; forests that can pour forth a stream of wealth forever. And our own Jeremiah would have us think that we cannot dig from this soil a heritage that will make our little economic problems look trifling; would have us believe that no leaders can arise in Canada; that we must rush to the encircling protecting embrace of another country for the working out of our destiny.

It would be a great unselfish action for the Montreal Star and the cabal behind this campaign to cease its unfortunate propaganda now, and not try to justify its continuation upon the grounds that the basis of the campaign is the truth about Canada's economic situation. "The Whisper of Death" is the poisoned truth. The antidotes are public confidence, the encouragement of individual initiative and sane leadership.

MANITOBA'S EXPENSIVE EXPERIMENTS

A NET loss to the province of $520,979 through the extension of the Manitoba Provincial Hydro System to Brandon, Morris, Lowe Farm, Kane, Plum Coulee, Thornhill and Manitou, is shown in the report of the commission appointed at the last session of the legislature to determine the value and future operation of the undertaking. The commission was appointed by the government and the report laid before the legislature by the Hon. W. Arch Clubb, Minister of Public Works. The original cost was shown by the board at $1,901,052, the cost to reproduce at $1,493,024 and the present value at $1,380,073.

According to the report the whole project was poor business. The population did not justify the enterprise and construction was carried on when costs were abnormally high. "Lack of economic justification" is mentioned in regard to one phase of the work in the report, which deals with the situation as follows:

"This enterprise was commenced before the population or demand for energy was sufficient to justify the expenditure. In addition to this, the construction of the Winnipeg-Portage transmission line was carried on in the winter months, at the request of the council of Portage la Prairie, thus adding greatly to the capital cost, and the entire plant was built during the time of high prices.

"Your board is unanimous in the opinion that there are many arguments in favor of the transmission of energy under public ownership, provided that political influences and interferences can be eliminated, and that economic considerations are taken as the basis of decisions on all construction and extensions. At the same time, they realize the objections to a publicly owned utility of this nature on doing pioneer work, on account of the difficulty of providing service only to to such municipalities as are financially able to pay for the service obtained without being charged with discrimination.

"As a conspicuous example of these objections your board would cite the case of the purchase of material for a transmission line from Portage la Prairie to Gladstone, for which we have failed to discover any economic justification."

Here we have the weakness of public ownership—projects designed without economic justification and carried through at extravagant cost resulting in service-at-cost which costs more than that of a well conceived, properly regulated private enterprise making a fair return to the investor.

ON GIVING THE PEOPLE THE FACTS

WHEN there are so many calls being made on the government to go into all sorts of power, marketing, transportation and other projects by political opportunists, economic and social experimenters and newspapers which cater to every passing fancy, it is encouraging to encounter journals like the Kingston Standard which are not afraid to tell the people the truth about governments in business, even though they destroy some of the popular idols of their readers. Some light on government undertakings of other countries is given. Experiences in England and the United States are referred to in passing and then attention is directed to what has happened to public ownership projects in Australia:

The first one referred to in a press despatch from Australia is the shipbuilding works at Cockatoo Island which have given more trouble than any other Government venture. About a million of money has been sunk and the works are a losing proposition. The present Prime Minister has indicated that no more ships of any size will be built at Cockatoo, and he proposes turning the whole establishment into an engine and repair workshops. This will mean the closing of various other Commonwealth establishments and centreing all repair work for the navy and the Government Mercantile Marine at Cockatoo Island.

Then it is pointed out that the Government of New South Wales is in a similar difficulty over the Walsh Island shipbuilding works, established under the late regime of Mr. W. A. Holman. This has been a losing concern ever since its creation, and has run away with the best part of half a million sterling. Ferry boats and dredges have been built there, and certain heavy machinery, from time to time. But the Island has never been able to show a profit, and, as it stands, is a ruinous undertaking for the State.

These instances might be thought to be enough but the report goes on to say that "another shocking example of the inefficiency of State business undertakings" is seen in the New South Wales State trawlers. An effort is being made now to sell these, either as a going concern or in separate items. During the last few months the trawlers operated they were run at a loss of £1,000 a week. It is estimated that, when the whole mess is cleaned up, the State will be the poorer by about half a million sterling. This is rather reminiscent of the Canadian Mercantile Marine. An effort is also being made to sell the State timber yards, which were established on a large scale at a place called Uhr's Point, near Sydney. The stocks have been disposed of, but there are no bidders for the plant and machinery. The Government expects to write off an eventual loss of about £100,000.

As the Standard very well emphasises: "This is a pretty serious list of the failures of government management and one which should give Canadians food for thought."

EDITORIAL NOTES

THE NEXT phase of the currency problem in Germany may be the impossibility of the printers to turn out enough marks to pay their own wages.

* * * *

"BROADENING OUT" and "getting out" are evidently the same thing in the mind of J. J. Morrison, so far as Ex-Premier Drury's U. F. O. policy is concerned.

* * * *

SOME of those immigrants at Ellis Island who cannot get into the United States would be a great help to the Canadian harvest if they could be landed on the prairies.

* * * *

IT IS BEING pointed out that "even so self-contained a country as Germany cannot prosper long on a degraded currency." Germany may be self-contained but many unfortunate speculators will admit that her currency is not.

* * * *

UPON THE basis of a statement that the competition of automobile trucks had rendered operation unprofitable, the Interstate Commerce Commission has authorized the New York, New Haven and Hartford Railroad Company to abandon a branch line of about seven miles in extent in Franklin county, Mass.

* * * *

MISS MACPHAIL says that her hair is turning gray because of the worries entailed by sitting in the House of Commons. This statement will have its good effect if it tends to increase the number of political candidates who recognize that there is something more to being a member of parliament than the notoriety of an election campaign.

* * * *

THE DOMINION Parliament, the government of the people, has passed an act providing for the investigation of wage disputes by a conciliation board. The Ontario Hydro commission, administering properties owned by the people, refuses to recognize such legislation, because "being of the people it is above the laws passed by the people." Hydro autocracy could hardly be better exemplified.

Late President Harding on Banking Service for Farmers

From Mr. Harding's Address at Hutchinson, Kansas.

Merchants and manufacturers in the middle ages devised banks to help them finance their ventures. Banking methods developed which served their purposes, but were not adapted to the farmer. The farmer's way of life made him an individual. He could not organize the great co-operation which we call corporations. The banks did not furnish credit of the kind and on the terms he needed it. The manufacturers and merchants, doing a large gross business in proportion to capital, having a short turnover period, wanted to borrow capital for short periods. The farmer, with a long turnover period, wanted working capital on very different terms.

Now, the bank of deposit and discount is easily the most completely co-operative institution that human society has devised. But it got started dealing primarily with industry and commerce, and the farmer never quite caught up with it. The railroad or industrial corporation raises plant capital by selling bonds; the farmer, by the essentially similar operation of selling a mortgage on his land. Both still require at times to supplement this capital by making less permanent loans to pay operating costs.

These loans the banks make out of the funds entrusted to them by great communities of depositors. In order to keep their resources as liquid as possible, against the possibility of heavy demands from depositors, banks have preferred to loan for short periods, commonly one, two or three months. This precisely suited the commercial or industrial borrower; it did not fit the farmer's case because he requires a full year to produce more crops; two or three years, even, in the case of livestock.

Intermediate System

So, as the ordinary banking practice did not meet the famer's needs, the idea arose of establishing intermediate credit institutions, which should advance money for longer periods than the merchant or manufacturer desired it, but yet not on the long-time basis of the farmer's mortgage or the corporation's bond, various forms have been taken by these institutions in different countries and under different conditions. But I doubt if there has ever before been set up such a system of intermediate farm credit so well adapted to serve the needs of the farmers in America.

This legislation, designed to furnish necessary intermediate credit for production purposes, taken in connection with the Federal Farm Loan system, which provides long-time mortgage credit, and with the new law making easy the organization and conduct of co-operative associations, and with the amended Federal Warehouse Act, provides what seems to be a complete, scientific and well-rounded, efficient and workable system of agricultural finance. Quite possible experience may show the need of minor amendments here and there to the credit act, but the principle underlying it is sound and needed changes can readily be secured.

Under the agricultural credit act, which became law last March, two classes of corporations are authorized. First come the Federal intermediate credit banks. They are 12 in number, just as there are 12 Federal Reserve banks and 12 Federal Farm Loan banks. Each intermediate credit bank is to have $5,000,000 capital, subscribed by the Secretary of the Treasury in the name of the United States and paid for from the Treasury. There is to be one of these banks in connection with each Federal Farm Loan bank, and they may be under the same or separate managements.

Loans For Agriculture

The Federal intermediate credit banks are to make loans to banks, or to co-operative marketing associations of farmers, which associations are carefully provided for. The loans are to be made specifically for agricultural purposes.

Whenever the loans made from the original capital reach an aggregate justifying it, the farm loan board, which supervises the system, may issue debenture bonds against the securities which the intermediate credit banks have taken. The sale of these debentures will put the banks in funds once more for a new loaning campaign; and so, in the revolving fund fashion which has been made familiar through the operations of the farm loan board in real estate mortgages, the endless chain goes on and on, drawing in with each sale of debentures a new supply of capital for loaning to the farmers.

The intermediate credit banks are fundamentally different from the farm loan banks in this: that while the farm loan banks advance money only on real estate mortgage security, the intermediate credit institutions are to discount farmers' notes taken by local banks and to loan on personal and chattel security — livestock, farm equipment, growing crops, and the like. The debentures sold by the intermediate credit banks are tax-exempt precisely as are the debentures of the farm loan banks.

The debentures will be sold to the public at a rate sufficiently below that charged the original borrower to insure that all expense will be met by the margin of difference. These banks are authorized to make loans on these debentures to the amount of ten times their capital; that is, each bank may carry $50,000,000 of business, which places the total for the system of 12 banks at $600,000,000.

Credit Corporations

Under the same law another and entirely distinct set of corporations are provided for, called National Agricultural Credit Corporations. These are set up, their capital furnished and their management controlled by private capital and enterprise, under the general supervision of the Comptroller of the Currency. A national agricultural credit corporation may be formed with capital not less than $250,000, and national banks are authorized on proper conditions to subscribe for stock in such corporations, in the aggregate not exceeding 10 per cent. of their capital and surplus.

The National Agricultural Gredit Corporation is authorized to make loans for agricultural purposes on chattel, livestock, growing crops and personal credit up to a period of nine months; except that in the case of breeding stock and dairy herds the period may be extended to three years. They may issue debentures against the securities they have received, and these may be marketed up to whatever amount may be determined by the regulations prescribed by the comptroller.

To facilitate the marketing of the debentures issued by the corporations, a class of rediscount banks is provided. A credit corporation may subscribe up to 20 per cent. of its stock to the capital of the rediscount bank. A minimum of $1,000,000 paid-up capital must be provided for a rediscount bank. The rediscount bank, on the responsibility of its own capitalization, will enter the general money market, the debentures that have been turned over to it by the credit corporations, and thus provide them with new funds for further investments. It is simply another application of the revolving fund or endless credit which we found illustrated in the case of the intermediate credit banks.

Safeguards

The utmost care has been taken to surround these various institutions with every possible safeguard that can be afforded through skilled supervision, ample responsibility and sound methods. It is the judgment of financial experts that their debentures will find just as ready an acceptance among investors as have those of the Federal Farm Loan Board.

There is thus created at last a complete farm credit system which, drawing together the aggregate responsibility of the greatest single industry in the land, backed by the security of the land, and to live stock, warehoused and growing crops, all kinds of agricultural equipment; and, finally, by the character and high responsibility of the men and women who constitute the great agricultural community, will be capable of furnishing the American farmers, for the first time in the history of agriculture in any country, adequate investment and working capital on terms as favorable as those accorded to commerce and industry.

Many people have been inclined to be skeptical as to the benefits which follow the enactment of legislation to give the farmer a better system of credit. They have said that the farmer needs better prices for his crops and live stock, rather than easier ways to borrow money. That is true, but these friends do not seem to understand that prices of crops and live stock are directly influenced by credit facilities.

In the past, farmers have been obliged to finance their productive enterprises by borrowing money for short terms. When times are good they have no difficulty in renewing these loans, but in periods of financial stress too many farmers have found themselves under the necessity of pushing their crops or their live stock on the market, not infrequently before the latter is fully fitted for market, in order to pay notes which they had expected to be able to renew, thus, at times, flooding the market and seriously depressing prices. Under a system of intermediate credit, administered with reference to the farmers' seasonal requirements, they should be able to market both their crops and live stock in a more orderly fashion, and this in itself will be a potent influence in keeping prices more stable and reasonable.

Annexation With United States From Newfoundland Viewpoint

An item with reference to annexation in a recent issue of THE FINANCIAL POST, by your New York correspondent, impressed me a great deal as evidencing the trend of thought of an ever-increasing number of American business men, many of whom, in my opinion, seem to be basing their conclusions on very inadequate information supposedly emanating from well-informed Canadians, but which bear all the earmarks of being the ideas and hopes of certain self-opinionated Americans. Those of us who still are satisfied with our present national status must view with a great degree of satisfaction any intelligent comment, such as put forth in your recent issue, and the trouble is, apparently, that too little thought is centred on this question of annexation, or, as some view it, sedition; the reading public is largely left to draw its own conclusions which are more often than not, erroneous ones.

It should be the duty of all self-respecting patriotic journals, such as THE FINANCIAL POST undoubtedly is, to devote a certain section of the paper periodically to a resumé of the conditions and developments arising from time to time on this question, and to take special pains, as creators of public opinion, to educate its readers up to a strong Imperial viewpoint.

Less than three years ago, the writer was the recipient of a circular letter sent out by a firm of New York brokers with whom (unfortunately for me) I was then connected, and this circular purported to be a straw vote obtained from 30,000 leading Canadians who had been in touch directly and indirectly with the Canadian correspondents of the brokerage firm. They wished me to ascertain what was the attitude of the better class of Newfoundlanders, and while I was not in a position to obtain that information, had I desired, I replied rather lengthily descrying their foolhardy attempt to make any real advances in this direction. I believed at the time, that the straw vote was faked, and I was supported in this belief by the fact that they quoted THE FINANCIAL POST as being in line with annexation ideas. Having been a reader of THE POST for years, and unable to find any comment whatever favoring their ideas, it was apparently a case of "the wish being father to the thought" and with me the matter dropped, after my reply to them. The fact that both principals have since been convicted under the Criminal Act for crooked dealing with their customers might be significant of how really "big" they were in their international ideas.

We are getting fed-up on this dope about the "land of the free," but while I have every respect for certain elements of its business, social and political administration, and claim many friendships within its jurisdiction, nevertheless, I have long since been impelled to the idea that ours is far ahead of their form of government. Truly the Sovereign of England to-day exemplifies a monarchial democracy much more in keeping with present-day ideals than the form of autocracy so often hidden in their so-called democratic institutions. Why cannot we learn to take out thought from within ourselves than from any form of government outside, and this applies with equal force to so-called democratic organizations operating on an alleged-international but very often strictly-American basis.

Of course, in common fairness, it must be admitted that those overtures of annexation from either United States or Canada are not sponsored by their respective governments, but usually by irresponsibles, who, if the bald truth were ascertained, are only seeking a grindstone to improve the proverbial axes.

St. John's, N. F. J. J. LACEY.

PERSONALS

J. STEWART RICHARDSON has been appointed manager of the Travellers Indemnity Company's new office at the C.P.R. Building, Toronto. Tracey Halstead has also joined this office.

G. HERBERT, the export manager of the well known cocoa manufacturers, Messrs. Rowntree & Co. of York, will be in Montreal and Toronto in August and will later visit the Pacific Coast of Canada and the United States.

L. GOLDMAN, president and managing director of the North American Life Insurance Company, has just returned to Toronto after an extensive trip in the West. He visited many points in all parts of the country from Winnipeg to Victoria, and was impressed with the tendency of western business to economize and balance its budget.

JOHNSTON EWART HODGINS has been appointed superintendent of the Dominion Insurance Agencies, Ltd., general agents for the Province of Ontario for the British Oak Insurance Company, and the Anglo-Scottish Insurance Company. Mr. Hodgins has for the past seven years been in charge of the Ontario field for the St. Lawrence and British Empire Underwriters. Previous to that time he occupied important positions with insurance companies in Ireland. He is an Associate of the Chartered Insurance Institute of Great Britain and Ireland.

JAMES COOPER MASON, general manager of the Home Bank of Canada, whose death occurred in Toronto this week, had been connected with that institution in various capacities from the time he left Jarvis St. Collegiate and entered the service of the old Home Savings and Loan Company as junior clerk. A bank charter was granted in 1903 and three years later, when the head office was moved from 78 Church St. to the present location on King St. West, he was appointed manager of the Toronto branch. Two years later he was appointed assistant general manager and in 1917 was made acting general manager, a position in which he was confirmed as general manager a year later. Col. Mason was for many years interested in military affairs. He joined the Queen's Own in 1891 and later took a commission in the Royal Grenadiers in which regiment he was promoted by various stages to the rank of lieutenant-colonel. He served in South Africa and was severely wounded at Paardeberg. After convalescing at Malta he returned to Capetown and again took part in the campaign. He was twice mentioned in despatches and was presented to Queen Victoria, receiving the South Africa medal with three clasps. For his services in South Africa he was decorated with the Distinguished Service Order in the presence of the Toronto Garrison. The late Col. Mason was a prominent ameteur oarsman in his time and was one of the Argonaut Eight crew, champions of America in 1901 and of the Argonaut Four, champions of Canada in the same year; he also rowed with the Argonauts at Henley in 1902.

LIQUID PAVEMENT

The province of Quebec makes a square yard of concrete road out of the profits from every quart of liquor sold to American bootleggers.

American highways are still paved with good intentions.—Life.

ODD AMOUNT BONDS

There are, at present, good opportunities for picking up odd amount bonds of various Provinces and Municipalities.

Some of the odd amount bonds offered in our current ODD AMOUNT LIST are of Canada's most representative cities, towns, provinces, etc. Among these are bonds of the Provinces of Alberta, Saskatchewan, Manitoba, Ontario; cities of Victoria, Toronto, Ottawa, Montreal, etc.

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INVESTORS' INQUIRIES

Questions of general interest submitted by subscribers of The Financial Post will be answered in this column, in which case only initials will be used. Other inquiries will be answered by mail. A three cent stamp should be enclosed to cover a direct reply.

WAYAGAMACK PULP

Reader, Edmonton.—What is your opinion of Wayagamack?

Wayagamack is now in a greatly improved position due to the better market for its product. The possibilities on the stock for a hold are good. The stock has never been split as were a number of the other pulp and paper stocks and in 1920 it passed the 150 mark.

The directors of the company are: C. R. Whitehead, president; J. W. Pyke, vice-president; Norman J. Dawes, Sir Wm. Price, Alexander MacLaren, G. H. Duggan, Hugh Mackay, K. C.

CANADA HOUSING

Reader, Paris.—I have a client who is considering investing in the Canada Housing Corporation bonds. Do you consider this a wise and safe investment?

The bonds of the Canada Housing Corporation, Limited, would appear to be a reasonably good investment. We understand the company will pledge mortgages with a trust company as security for the bond issue. An added attraction is that those in control of the company understand the building business thoroughly. Of course, these bonds will not be nearly so saleable in the event that you should want to realize on them, as governments and municipals would.

CANADIAN PAPERBOARD

Reader, Paris.—Kindly give me some information concerning the Canadian Paperboard Company bonds.

The Canadian Paper Board Co. has been successful in a growing field, and the bonds appear to be well secured. The bonds bear interest at 7 per cent., and were sold early this year at par. It is intended to list these bonds on the Montreal and Toronto stock exchanges. If this is done you will be able to secure market quotations for them very easy.

The directors of the company are: J. G. G. Kerry, president; J. R. Walker, vice-president; J. A. O'Brien, Hon. E. D. Smith, David F. Robertson.

UTILITIES COMMON STOCK

Reader, Minto.—I am holding some common shares in East Kootenay and Manitoba Power which I received with bonds by paying $10 per share. Would you advise holding them?

Both East Kootenay and Manitoba Power common shares have speculative possibilities that would warrant you holding them if you are able to do so.

The Manitoba Power Co. is in a position to build a substantial equity into these shares in the course of a few years.

If you desire to sell you could get approximately $15 a share for the East Kootenay common and $25 a share for the Manitoba Power common. These prices were offered us in Montreal.

MATTAGAMI DEBENTURES

Subscriber, Edmonton.—Kindly let me know what you think of Mattagami Pulp 7% debentures.

Mattagami Pulp debentures are rather risky for, while the company is now operating on a satisfactory basis, it is still in the hands of creditors and bond holders, and elements apart from earnings enter into the situation. It is hoped that the company will work out its affairs on a most satisfactory basis and take a stronger position in the pulp and paper industry. In the meantime the securities are in the speculative class.

The directors of the company are: Duncan Chisholm, president; E. P. Shove, vice-president; S. R. Armstrong, Sherwood Aldrich, W. D. Ross, Lt.-Col. D. M. Robertson, Reginald Hammond, I. W. Killam.

SOUTHERN CANADA POWER

H., Edmonton.—Would like your opinion of Southern Canada Power 6% cumulative preferred.

It is hardly correct to classify Southern Canada Power preferred stock among the more speculative investments. The company has a demonstrated earning power which gives this security an attractive outlook. The opportunities for profit are only reasonable and the security must be considered as so near to the investment class that its purchase for a long hold indicates a wrong conception of its position.

The directors of the company are: W. C. Hawkins, president; J. B. Woodyatt, vice-president; W. K. Baldwin, M.P., Harry Sifton, James Davidson, J. S. Gillies, W. H. Miner, Lt.-Col. J. R. Moodie, A. J. Nesbitt, George Parent, K.C., Charles E. Read, J. M. Robertson.

TORONTO COMPUTING SCALE

Enquirer, Waterloo.—I would like to know the financial standing as well as the value of the stock of the Toronto Computing Scale Co., of Paris, Ont. A holder of six shares of the preferred stock of this company is offering me this stock at par which he claims is paying 8% annually. Kindly therefore, let me have your opinion of this stock.

We have not been able to find any definite indications of the market value of the shares of the Toronto Computing Scale Co. We would suggest that you write the officials of the company. You will, however, we believe, appreciate one of the disadvantages here indicated of buying a stock for which there is not an established market.

Late reports indicate that business is only fair with the company; prospects and standing, however, are well regarded, but, at par the stock is speculative.

ENGLISH ELECTRIC

E. H., Edmonton.—Would you consider English Electric common a suitable investment for one who is prepared to wait two or three years?

English Electric common is in a somewhat indefinite position in that its real earning power is yet to be proven. The company did not start off very satisfactorily and had to pass its preferred dividends to conserve its resources. A considerable amount of business has been booked and the connections of the company are excellent. The stock is likely to have a very narrow market and does not offer the same opportunities for the investor as the more seasoned listed security.

The directors of the company are: Gordon F. Perry, R. A. Stinson, president; H. J. Daly, R. Home Smith, D. H. McDougall, T. H. Watson, Lord Meston, K.C., Lt.-Col. Sir John H. Mansell, K.B.E., P. J. Pybus, C.B.E.

BROMPTON PULP

Subscriber, Edmonton.—Would like your opinion of Brompton Pulp.

Brompton Pulp and Paper common is now in line for a dividend since all the preferred dividends have been cleaned off. It is possible that this dividend may be deferred for some time until the company has built up stronger reserves if the directors consider this advisable, but Brompton undoubtedly has the earning power in its plants and common dividends when resumed should be continued without great difficulty. This indicates considerable room for improvement in the market prices of the common stock for the person who is able to wait.

The directors of the company are: F. N. McCrea, president; H. W. Beauclerk, vice-president; J. N. Greenshields, K. C., E. Languedoc, K. C., W. N. Munroe, E. W. Tobin, C. C. Wilson, J. A. Bothwell, T. McAvity Stewart, H. E. Munroe, C. G. Greenshields, K. C.

TORONTO REAL ESTATE

W. B., Toronto.—I would be glad to have your opinion on values of house properties in the Beach district. I am considering the purchase of a $10,000 house and have been advised that a house of about this figure will be bought for considerable less within a year or so from what to day's price is. Would you be good enough to advise me regarding this at your early convenience?

The possibility of house values dropping in Toronto is based largely on the question as to whether the recent building boom has overtaken the extreme shortage which followed the war period. There is no doubt that house values are abnormally high in comparison with rentals which in turn are rather high. Some real estate men believe the shortage is not yet fully provided for, but the large majority of those whom we have been in touch with have formed an unbiased opinion that values must come down to some extent. Some men we have talked with state they believe houses will be cheaper this fall and still more again next spring, than they are at present.

MERRILL MANSIONS

K., Toronto—Being a shareholder of the Earl Mansions Co., I have been asked to buy a bond which the company is selling. Do you consider this a good investment?

The Earl Mansions Ltd. has not been paying dividends on its stock. A first mortgage of $41,000 against its property is held by a loan company and the bonds now being sold are secured by a second mortgage. It is understood that the proceeds will be used to pay off a loan of $2,500, made by the Merrill Corporation, to purchase furnishings, and meet part of the payments on principal of the first mortgage, which was originally $45,000.

The net earnings of the company for 1922 were $6,668. After allowing for proper repayments of principal on the mortgage the balance available for dividends would be small in view of the outstanding stock, which is $70,000 preferred and $70,000 common.

The interest rate on the bonds is too low for this class of security and the market for selling the bonds, should you need your money, is not wide.

ANGLIN NORCROSS

A.B., Montreal.—Would like your opinion regarding Anglin Norcross & Company.

Anglin Norcross & Co. have some larger contracts this year than last, but as the president, J. P. Anglin, pointed out at the annual meeting in May, the great volume of building now going on is in home building and smaller construction generally.

The company showed a net profit last year of $41,810, which was larger than in the previous year. After providing for income tax and dividends on preferred stocks it was possible to increase the surplus by about $15,000. This now stands at $90,432. Reference was made at the time the annual statement was issued to the great problem of securing sufficient mechanics in some of the building trades, the shortage of which causes unnecessary delays in all construction work. This is a problem universally felt by builders and contractors at the present time.

There is not a wide market for either the preferred or common stock of Anglin Norcross. The preferred stock can be sold at about $55 a share at the present time, and the common stock is nominally quoted at from $5 to $6 a share.

ABITIBI COMMON

S., Retired.—Bought Abitibi at higher price than present market. Would you advise holding?

The paper securities generally are in a sound position and are more likely to show a broad advance on a stock market than some other classes of industrial securities. Great increases are being made in the output of Canadian paper mills, but these increases have only kept pace with the large demand for newsprint and other paper and it is doubtful if any danger of over-production in Canada is yet in sight. The paper securities are all selling below the high level reached in 1920. These levels are now recognized to have been unsound but this does not deny that when some of the mills resume former dividend rates and build up their working capital positions that there will be a resumption of wider interest in the pulp and paper securities and most of the sounder companies will benefit.

Abitibi is paying $4 per share now and any price higher than the present market price would be in anticipation of an increase of $6 a share. This has been discussed and there is no doubt of Abitibi's ability to earn this $6 a share. This would require total earning per ton available for bond interest, preferred dividends and common dividends of $14.70, as compared with $13.80 that is required for Laurentide 8 per cent. dividend and $11.75 for Spanish River 7 per cent. dividend. But Abitibi is recognized as one of the lowest cost producers in the industry and with firm prices for newsprint it should have no difficulty in earning $14.70 per ton. For these reasons we would consider Abitibi a hold for anyone except the investor who feels the need of taking only the most conservative action, and for whom a transfer to more seasoned and senior securities might be advisable.

WEST KOOTENAY POWER

O. T., Winnipeg—We would like to secure a general outline of the company's directors, and by whom the company is supported and the financial standing of the West Kootenay Power Company of British Columbia.

The directors of the West Kootenay Power and Light Co. are men well-known in financial and business circles, some of whom are also directors of the Consolidated Mining and Smelting Co., and the Canadian Pacific Railway Co. The company is backed by the Consolidated Mining and Smelting interests, a recent bond issue having been guaranteed unconditionally as to principal and interest by the latter company, in which the Canadian Pacific Railway owns a large percentage of the outstanding stock and debentures. The C. P. R. also owns a large block of West Kootenay securities.

The company's business is to supply power for the smelter at Trail, B. C., and on account of this and its association with the other companies, the West Kootenay Co. is regarded highly in financial circles.

The directors of the company are as follows: C. R. Hosner, president, Montreal; L. A. Campbell, vice-president, Rossland; Jas. J. Warren, Montreal; Walter R. Baker, C. V. O., Montreal; George F. Benson, Montreal; Edwin Hanson, Montreal; Hon. W. J. Shaughnessy, Montreal. Managing director, Jas. J. Warren, Montreal; general manager, L. A. Campbell, Rossland.

BANK OF HAMILTON

Subscriber, British Columbia.—I saw in the Vancouver Province that the Bank of Hamilton stock was selling down quite a few points. Please advise the reason for this, also what you think of the future prospects of this stock.

While there was a decline in the market for Bank of Hamilton stock you may have noted that there has since been a sharp recovery.

The name of the Bank of Hamilton has been mentioned with rumors regarding the Standard and other banks of losses sustained and the necessity for some readjustment. So far as the Bank of Hamilton is concerned, we are informed that nothing of the kind is contemplated. It may be anticipated, however, that if the industrial depression continues further commercial and agricultural failures may be expected which will necessitate adjustments in bank balance sheets. The banks after all do not make money when times are bad any more than other business institutions—they reflect the business conditions of their customers. The banks now are generally experiencing lean years, but they have cut their expenses to the minimum. There is no indication so far as the Bank of Hamilton is concerned that its position is anything but sound and healthy.

In view of the revelations regarding some of the banks and the general business conditions, fluctuations in the values of the bank stocks are to be anticipated. Investors should keep this in mind and be prepared for price changes. No doubt one factor in connection with the unsettledness of the Bank of Hamilton stock has been the fact that within the last few years 20,000 shares of stock went to the shareholders at $150 a share. There would no doubt be a tendency of some shareholders who secured this stock to sell in the face of rumors and it takes little selling in such a market as has prevailed lately to put the price down.

The directors of the company: Cyrus A. Birge, vice-president; H. S. Ambrose, C. C. Dalton, Robt. Hobson, W. E. Phin, I. Pitblado, W. P. Riley, J. Turnbull, W. A. Wood, A. V. Young, J. P. Bell, general manager.

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MONTREAL

Some of Nova Scotia's Problems

By PREMIER E. H. ARMSTRONG in Canadian Grocer.

One of the important problems that Nova Scotia is facing at the time of writing is how to bring an equitable settlement of the industrial conflict in the steel and coal industry of the province. The struggle in Cape Breton is, of course, a part of the age-long strife between capital and labor which causes suffering not only to both combatants but also to the general public and acts as a powerful brake on industrial progress. It is abundantly plain that peace and its accompanying prosperity will not arrive until the human element is more largely recognized on all sides. Capital must realize that any industrial policy, if thoroughly sound, takes full cognizance of the welfare of the workman. Labor must realize that sabotage and lawlessness are ruinous to its own cause. Both capital and labor must eradicate the extremists on both sides and come together in a spirit of compromise. They must be made to see that they are partners, not enemies, and that the community is one of the essential parties to industry.

Excessive Freight Rates

Another important problem facing Nova Scotia is the excessive freight rates which hamper the marketing of Nova Scotian products in Central Canada. Previous to Confederation, Nova Scotia sold her products to the New England States. There was no direct railway connection then between Nova Scotia and Montreal and shipments from Ontario and Quebec came by rail to Portland, thence by water to Nova Scotian points. At Confederation many Nova Scotians, while in sympathy with the patriotic motives behind the movement, hesitated to take the decisive step through fear of losing a profitable and convenient market. To allay these fears, the Fathers of Confederation agreed to build the Intercolonial Railway between Montreal and Maritime points, in order to provide the Maritime provinces with an alternative market. It was agreed that the rate from western points to Halifax would be the regular rates to Montreal plus extra rates known as arbitraries. These were on the basis of 22 cents per 100 pounds first class, graduated to 11 cents per 100 pounds fifth class.

These rates held until December 1, 1916, when they were increased. Further increases took place in 1918 and again in 1920. Reductions were subsequently made but these arbitraries from points in Central Canada still scale at 47 cents first class, graduating to 23½ cents fifth class. This is an increase of more than 100 per cent. in all classes, and forms a handicap so severe as practically to shut out the Nova Scotia manufacturer from the markets of Quebec and Ontario. At the same time he is unable by means of the tariff wall to ship his goods to the United States.

The remedy for this condition undoubtedly lies in a Canada-wide appreciation of Maritime disabilities and a general realization that excessive freight rates are choking out our industrial life.

A third problem for which Nova Scotia seeks a solution lies in the successful disposal of her enormous annual catch of fish. The fresh fish trade has been dislocated by reason of excessive express rates to Central Canada and the passing of the Fordney Tariff at Washington.

In the dried fish trade the cost of production remains high while prices have declined. The European market is stagnant and the American tariff shuts off practically all exports to the United States.

Other problems have arisen in Nova Scotia, but the ones here mentioned are perhaps the most pressing of the moment. All require patient investigation and clear vision for their solving. It is of the utmost importance that Canadians everywhere interest themselves in the industrial handicaps that may arise in any portion of our country and give prompt and energetic support to all measures taken to overcome these difficulties. Only such co-operative effort will Canada make steady progress in her development. It will be obviously to the advantage of this entire Dominion when Nova Scotia, with her variety of resources and her population of sound British stock, will surmount all the present obstacles that lie between her and the fullest prosperity.

CURRENT OPINIONS

A FEARSOME CAMOUFLAGE

Manitoba Free Press

A distorted exaggeration of the seriousness of the financial position of the Dominion is contained in a lengthy editorial article which is featured on the front page of the Montreal Star. Every device of rhetoric is used to overwhelm the reader with the supposedly alarming situation.

There can be no question about the need for the utmost economy on the part of the government and of an energetic immigration policy, to which the Star refers. But this article goes quite beyond the necessities of a warning to the public of the urgency of these matters.

SCHWAB FOR PRESIDENT!

Adams in Barrons

If the United States were to follow the example of England at a critical period in modern history we might see Charles M. Schwab in the White House. When the English cabinet drafts a note to France or Germany in connection with reparations two business men, Premier Baldwin, a great steel magnate, and Chancellor McKenna, chairman of the Midland Bank, take the lion's share of the burden of so important and delicate a task. While the head of the Bethlehem Steel Corporation may be politically unavailable for similar service in this country, business men will agree that Schwab and Mellon would make as good a business team for the United States as Baldwin and McKenna for Britain. All who have come in contact with Mr. Schwab's dynamic personality will concede that if his career had been given a little different direction he might have made his mark quite as easily in politics as in business.

IF NEW ZEALAND, WHY NOT CANADA?

Ottawa Journal

Perhaps when Mr. Mackenzie King is in London he will induce Mr. Massey, the Prime Minister of New Zealand, to take a few hours off some afternoon and explain to him how the finances of a Dominion which like Canada incurred very heavy liabilities through its war effort and also like ourselves enjoys the blessings of a state-owned railway system can be made susceptible to rigorous economies and productive of a substantial balance. New Zealand has about one-eighth of our population and her Budgets are on a parallel scale. Yet Premier Massey who is also at present acting as Finance Minister was able on July 3 when he presented the Budget to announce a surplus of £1,329,000, and to claim that in the last two years economies to the extent of £3,735,000 had been effected and £3,000,000 had been transferred to repayment of the national debt.

If a parallel zeal for efficiency and economy had found harborage in the bosoms of Canadian rulers and produced parallel results, they would have shown a surplus of $50,000,000, economies since they took office of at least $120,000,000 and about $100,000,000 lopped off the national debt and the Montreal Star would have been deprived of the main excuse for its Jeremiads and Cassandra-like predictions.

MORE PAY FOR BANK CLERKS

Financial America

At last it has been definitely concluded that bank employees of the clerical class are underpaid. That is, the whole matter has just been brought to a head. It has been known for a long time that insufficient incomes prevailed, but now comes word that action toward increasing salaries is to be the order.

Such a move, though somewhat belated, will be just the medicine to brace up clerical efficiency. Bankers themselves admit they have "financiers" in their employ at $150 a month. Workers in trades, would scoff at such a remuneration, especially if they are men of families.

The "white collar" man has been the underdog ever since war times. Prices have mounted while his weekly or monthly income has remained stationary. And he and his wife have pinched and "budgeted" until they have come just about to the end of their string. They can't be told anything about close margins.

It is perhaps true, too, that many clerical workers are worth no more than they are now paid. But a substantial salary increase would stimulate enthusiasm and diligence on the part of those so employed and would serve as an invitation to others of a stronger calibre. This would result in an opportunity for "cleaning house" of the inefficient and in the end clerical workers as a body would be of a higher order.

VOLSTEAD LAW FAR-REACHING

Commerce and Finance

After all the contradictory reports as to what would and would not be done in the matter of liquor on foreign ships, the government seals on liquor intended for use on the return trips of several British ships were broken last Saturday, against the protests of their captains, and the liquor was transferred to warehouses to await the result of parleys sure to follow in these test cases. What lies behind the failure of the British Government to challenge our rights to thus break its seals is unknown. It must have been strong stuff to thus go to the heads of American authorities who never came within the proverbial 40 rods of it.

The French, who regard us as very hypocritical in this matter, appear to have secured privileges denied the British, and while English papers well understand their government's desire to get the matter settled without too much plain speaking, they criticise it severely for not making a stand on "liberty" and plainly stating it would tolerate no interference with the food and drink of British crews and passengers.

It is announced from Washington that President Harding will recommend to Congress changes in the Volstead law that will remove its conflicts with the laws of other nations. Why it was ever construed as having authority under other flags will afford wonderment for the world for a long time to come.

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A State of Mind

has decreed, and possibly always will decree, that the Bond Market must be less active in summer than it is in winter.

Nevertheless, observation shows that the summer is a very good time to buy Bonds—and experienced investors take advantage of "Summer Opportunities" to add to their holdings of good securities.

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First Mortgages Pro and Con

First Mortgages are talked of as gilt edge investments, but when placed on the property of an individual the investor must exercise much caution to safeguard his principal, and frequently experiences difficulty in collecting his interest.

There are other items, namely, taxes, insurance, repairs, etc., that require constant looking after.

In purchasing the 6½ First (closed) Mortgage Sinking Fund Gold Bonds of the Keefer Realty Corporation, you avoid these difficulties and yet have the security that comes from holding a high grade First Mortgage on profitable revenue producing Real Estate.

The Keefer Realty Corporation is erecting a 10-storey office and business building on the South-East corner of Mackay and St. Catherine Streets, Montreal.

The combined value of the land and building is estimated as being worth at least $1,250,000.00.

Actual net earnings are reliably estimated at more than 2½ times bond interest requirements. Ample provision for sinking fund and insurance is provided in the Trust Deed.

The management of the property will be in competent hands.

Bonds are in denominations of $1,000 and $500.

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Barrister, Etc.,
Welland, Ont.

ARE BUSINESS FAILURES DUE TO TAXATION BURDEN

(Continued from page 1)

The business public is confronted by this situation: with a marked drop in the price of wheat, ranging from 12 to 15 cents a bushel below that for last year, the purchasing power of the West is in danger of being impaired to the extent of many millions of dollars as compared even with that of last year. In the meantime the government continues to take more money, reducing the smaller amount that will probably be available for business anyway, insofar as the Western farmers are concerned.

There might be some compensation for the heavy taxation were it known that the government was actually paying its way, but last year it failed to balance the Budget by nearly $50,000,000. In the United States, though, the federal taxes were one-third less than in Canada, that country, in addition to having a surplus of $100,000,000, reduced its debt by about $525,000,000. In the United Kingdom after paying about $200,000,000 for the sinking fund, the Chancellor of the Exchequer was able to apply the surplus of $500,000,000 to debt retirement.

HARVEST LABOR PROBLEM

From Our Own Correspondent

CALGARY.—The labor situation is still tense. Very few are arriving as yet. There is really no standard of wages set, but the idea prevails that the wages for harvest will be $3.50 to $4, which will not, if carried out, be as bad as was looked for. The very low price for all grain has made it necessary to get work done at a reasonable figure or not at all.

NEWS AND VIEWS ABOUT BONDS

LITTLE ACTIVITY IN BOND MARKET; PRICES ARE FIRM

Prospects Of Much Industrial Financing In Early Fall

A period of relative quiet has developed in the bond market with the midsummer lull in business activity. New financing has been on a contracted scale in recent months, except for the Canadian National Railway issue. The reception of this issue afforded much satisfaction to dealers, as it illustrated the capacity of Canadian investors to absorb a large volume of bonds.

The balance of opinion on the possible course of prices in the fall, is that this will depend largely on the supply of bonds available. More recent reports indicate that less money will be needed to finance the grain crop than was formerly expected, leaving the banks with more money on their hands. Moreover, it is argued that farmers will not be borrowers as in the past, but, on the contrary, will expend every effort to reduce their debts, pay off overdue accounts to the banks and to the loan companies. If this proves true, there will not be as strong a demand for mortgage money as in recent years and large institutions may have to rely more on bonds.

Investing

On the other hand the federal government must carry out a large financing program, and several provinces and municipalities will be heavy borrowers. Just how the market will care for this larger scale financing remains to be seen. Dealers are at present carrying a considerable volume of bonds on their books, made up largely of odd lots.

Little industrial financing has been accomplished recently, but there is evidence of a large volume of business in this class of security in the early fall, and no doubt dealers will turn considerable attention to the industrial field.

Few issues were sold during the week, but those offered brought out numerous bids.

Dresden Bonds

The town of Dresden sold $49,965 of 5½ per cent. 15 year instalment bonds to A. Jarvis & Co., at 99.75. At this price the money is costing 5.54 per cent. he bids were:

A. Jarvis & Co.	99.75
Gairdner, Clarke & Co.	99.27
Wood, Gundy & Co.	98.674
C. H. Burgess & Co.	98.63

Buy Soo Bonds

Wood, Gundy & Co. purchased $49,000 Sault Ste. Marie 5½ per cent. 30 year instalment bonds at 100.39. The money costs the city 5.475 per cent. The tenders received were:

Wood, Gundy & Co.	100.39
Matthews & Co.	100.21
C. H. Burgess & Co.	99.87
Bell, Gouinlock & Co.	99.70

Guelph Sells Bonds

The city of Guelph awarded $36,200 of 5½ per cent. 20 year bonds to Matthews and Co. at a price of 103.21. The money is costing the municipality approximately 5.24 per cent.:

The bids were:

Matthews & Co.	103.21
Bell, Gouinlock & Co.	103.11
Macneill, Graham & Co.	102.89
Gairdner, Clarke & Co.	102.87
Dyment, Anderson & Co.	102.862
Harris, Forbes & Co.	102.692
Wood, Gundy & Co.	102.588
Goss, Forgie & Co.	102.55
A. D. Morrow & Co.	102.46
Municipal Bankers' Corp.	102.42
A. E. Ames & Co.	102.29
W. A. Mackenzie & Co.	102.232
C. H. Burgess & Co.	102.12
Dominion Securities Corp	101.237
Murray & Co.	96.68

Charlottetown Tenders

The complete list of tenders on the $75,500 Charlottetown 5 per cent. 20 year bonds were:

A. Jarvis & Co.	98.23
R. A. Daley & Co.	96.80
Bell, Gouinlock & Co.	96.57
Nova Scotia Trust	96.39
J. P. Paton	96.32
Wood, Gundy & Co.	96.08
Johnston & Ward	5.68
Eastern Securities Co., and Bank of Nova Scotia	95.50
A. E. Ames & Co.	92.27

Paton Company Has Now $600,000 of Bonds

From Our Own Correspondent

MONTREAL.—When the Paton Manufacturing Company of Sherbrooke was acquired by a Montreal syndicate a short time ago a first mortgage bond issue to the amount of $600,000 was created. The bonds were given in part payment of the old company, the former shareholders receiving a $100 bond and an additional sum in cash for each share of stock held.

To Sell Bonds of Large Toronto Office Building

Toronto is to have another large office building when present plans mature. A modern eleven-storey structure is to be built at a cost of $500,000 on the old Holdenby property at 59 and 61 Adelaide St. West. This property was at one time occupied by Sanderson Pearcy & Co., Ltd.

The financing is being done by a syndicate organized by the Corporation Securities. A mortgage of $350,000 will be placed against the building and a bond issue with this as security will be sold by S. W. Straus & Co. The bonds will bear interest at 6½ per cent. and mature serially over a period of 15 years, the entire loan being amortized in that time.

July Bond Sales

New bond issues of Canadian municipalities, corporations and railways, during the month of July totalled $30,326,983. Of this total, $28,576,983 was raised in Canada and $1,750,000 in the United States. For the first seven months of the year the sales totalled $225,300,542. Following is a list of the sales for July and for the seven months:

Municipal	$ 3,476,983
Provincial	
Corporation	4,350,000
Railway	22,500,000
Total for July	$30,326,983
Where Sold	
In Canada—	
Municipal	$ 3,476,983
Corporation	2,600,000
Railway	22,500,000
	$28,576,983
In Uuited States—	
Corporation	$ 1,750,000
Year to Date	
January	$37,890,162
February	51,758,746
March	23,609,657
April	18,218,469
May	22,279,363
June	41,216,162
July	30,326,983
	$225,300,542

SEES TENDENCY TO ECONOMIZE IN WEST

L. Goldman Predicts Steady Return to Prosperity; Money More Plentiful

After an extended tour covering Western Canada from Winnipeg to Victoria, L. Goldman, president and managing director of the North American Life Insurance Company, expresses a belief that a steady return to prosperity will take place. He has made many trips through the West, where the North American has a large agency force, and states that he never saw the country looking better than it is to-day.

The most hopeful sign for the future is, in his opinion, the disposition of the people to economize and balance their budgets. This tendency is evident in the municipal offices, business establishments, and homes. In one district from which 25 farmers formerly spent the winter in California only three went last year. This, he affirms illustrates the general feeling.

In spite of the talk about hard times, overdue payments or mortgages, and other loans, were partly met last year, and, it is expected that a considerable part of the indebtedness will be cleared off this year, even though grain prices are low. One retailer told Mr. Goldman that he had more accounts paid in recent weeks than for many months.

Life insurance companies have been proceeding cautiously, both in making loans and in accepting notes in payment of premiums. However, Mr. Goldman found agents more hopeful than for some years. Just how far the proceeds of the present crop will go in improving underwriting conditions, it is too early to determine.

Bondholders Foreclose Brooks Iowa Mortgage

The bondholders of the Brooks Iowa Lumber Company, Limited, headed by Norman Reginald Whittall, are seeking the foreclosure on the bond mortgage amounting to $300,000 and the appointment of a receiver and manager for the company's mills at Clowholm Falls, Powell River, and Coal Harbour.

With this object suit has been instituted in the Supreme Court of British Columbia by Mr. Whittall's solicitors, Messrs. Wilson, Whealler and Symes.

The debentures, it is said, were issued in November last and $226,000 are outstanding. The trustee of the debentures is the Montreal Trust Company, which has been cited codefendant with the lumber company.

Kaministiquia Pulp Distributes Assets

Advice is now being sent to the bondholders of the Kaministiquia Pulp and Paper Company, which is in liquidation, that a final distribution of assets equivalent to 9.15 per cent. of the face value of the bonds is being arranged, which added to the distribution of 20 per cent. already made will make a total of 29.15 per cent. returned. The statement of receipts and disbursements prepared by the Capital Trust Corporation shows a balance of $45,750 for the final distribution.

SAVE MILLIONS BY COORDINATION OF DEPARTMENTS

Greater Efficiency at Same Time Says Capt. Shaw

CALGARY.—That a saving of $15,000,000 a year to the country could be effected through co-ordination of the public services, is the declared opinion of Capt. J. C. Shaw, M.P. for West Calgary. The saving would be effected through unnecessary overlapping in government departments. "The challenge to all governments today is economy and efficiency," he said before the board of trade recently. For the next year the government had budgeted for a deficit of $50,000,000 and this was a condition of affairs which could not continue. It was of vital importance that the government make its expenditures meet its income, and in this connection he mentioned the great saving which could be effected in the government itself—a saving which would permit at the same time of greater efficiency. What was needed in Canada at the present time was not politicians but political economists, men who would study the economic problems of the country with a view to finding a proper solution.

"The Civil Service Act was passed in 1918," he said, "pursuant to a pre-election pledge of the Union government to abolish patronage. Under this legislation two principles are involved in appointments to and promotions in the public service. Firstly, that the merit principle applies, that is the person best qualified must be chosen for the position. Secondly, that an independent body called the civil service commission shall administer the legislation free from any partisan or political control or considerations.

"One would have thought that two such splendid ideals," he said, "would have received universal approval both in and out of parliament. But, unfortunately, in Canada, as elsewhere, the politician is ever the chief exponent of patronage and the chief enemy of civil service reform. The real though camouflaged purpose in the appointment of the committee by parliament was to secure, if possible, a much larger measure of political patronage."

Canadian Farmer is Better Off Than in U.S.

According to information given Hardware and Metal by Mr. Page, of the Frost Steel and Wire Co., Hamilton, the farmer in Canada is to-day a much better prospect than the farmer in the United States.

"Fence business in the United States is only about 55 per cent. of normal volume compared with other years, whereas it has been pretty well up to normal in Canada this year," said Mr. Page, pointing out other evidence that farmers in that country have not returned to normal buying. This was thought to be somewhat significant in view of the fact that prices for farm products were in almost similar proportions to manufactured goods in both countries, but the higher average overhead cost of production on U. S. farms compared to Canada was pointed to as a reason why the farmer in that country was not as well off as in Canada.

Bond Issue On Way For Wolthausen Hat

From Our Own Correspondent

MONTREAL.—The Wolthausen Hat Corporation, of Brockville, Ont., has doubled the capacity of its plant in the course of the past year, in order to cope with the increased demand for its product, it is stated. It is understood that a scheme of refinancing will be announced shortly, which will include changes in the capitalization of the common and preferred stock, and will involve a new bond issue financed through a Montreal house.

Bonds for Buffalo Fort Erie Bridge to be Sold

A meeting to organize the Buffalo Fort Erie Bridge Company of Canada is being held this week at Fort Erie. According to W. M. German, M. P., three million of seven per cent. bonds will be issued, redeemable by the company at any time within fifteen years.

These bonds will be marketed at 96½ with a proviso that any redeemed within five years shall be redeemed at 105, the price of these redeemed after that date being 102½.

BOND MOVEMENTS OF THE WEEK

Week End Aug. 7

BONDS—	Int. Rate	Due Year	Yield	Range 1922 High	Low	Range 1923 High	Low	Latest Price Ask	Bid	Week End High	Low
Canada Bread	6	1941	6.04	99	98½	100	96	99½	—	99½	—
Can. Car	6	1939	5.97	101	95	100¼	99	—	99	100¼	—
Can. Cement	6	1929	5.61	100¼	94	103	100	101	—	102	—
Can. Cottons	5	1940	6.07	88½	82	90	88	—	88½	88½	—
Can. Locomotive	6	1951	6.03	100½	99	99	96½	—	96	99	—
Dom. Coal	5	1940	5.44	98¼	92	98	92	95	—	95	—
Dom. Textile (C)	6	1925	5.88	101	97¼	100½	100	—	100	100¼	—
Lyall Cons.	6	1932	7.72	85	75	97	85	—	88½	88½	—
Montreal Trams	5	1941	5.75	93½	87½	92½	89¼	92	—	91½	—
Ogilvie	6	1932	5.58	102½	100	103	102	103	—	103	—
Penmans	5	1926	6.25	94¾	90	97	93¾	96½	96	96	—
Quebec Rly	5	1939	6.95	87¼	65½	82	69	80½	80	81	80
Wayagamack	6	1951	7.20	88¾	71¾	86¾	80½	80¾	—	85½	83½
War Loan	5	1925	4.74	96.30	96.10	100.95	99.10	100.70	100.60	100.55	100.20
Do.	5	1931	4.83	99.60	96.25	103.80	99.80	101.30	101.20	101.10	100.40
Do.	5	1937	4.77	101.50	99.50	103.30	102.00	102.50	102.40	102.45	102.25
Victory	5½	1923	5.10	100.70	98.75	100.95	100.20	100.30	100.20	100.25	100.00
Do.	5½	1924	5.04	100.75	98.00	101.40	100.25	100.70	100.65	100.70	100.25
Do.	5½	1927	4.75	102.70	99.75	103.50	102.35	103.15	103.00	103.00	102.50
Do.	5½	1933	4.87	104.35	101.25	106.70	104.40	105.25	105.15	105.35	105.00
Do.	5½	1934	5.15	101.35	98.80	103.90	101.30	103.00	102.90	103.10	102.75
Do.	5½	1937	4.75	106.25	103.00	108.45	106.50	107.85	107.75	107.90	107.55
Do., Renewal	5½	1927	5.10	101.10	99.40	102.80	101.00	101.75	101.50	101.75	101.00
Do., Renewal	5½	1932	5.17	101.00	99.70	103.00	101.00	102.50	102.40	102.50	102.00

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THE PRESIDENTIAL CHANGE WILL NOT AFFECT BUSINESS

(Continued from page 1)

government plans for a wheat pool—plans which have gone by the boards for that reason.

Uncertainty of Prices

Under all the circumstances business, which has been gradually improving, displays a hesitating tendency at the moment. The crop prospects have created confidence in fall trade but this has been tempered by the uncertainty as to prices and the general industrial situation has been clouded by the trend of wage and commodity prices and the turn of the buying movement in the United States, where a distinct objection on the part of the consumer to higher prices has been encountered. Unless workers desist in their wage demands, manufacturing costs will advance and the attitude of the public, if maintained, would mean either a check in the movement of goods or very small profits. The index number of wholesale prices constructed by Professor Mitchell, of McMaster University, indicates that price movements show no decided trend for the time being.

The Mitchell number stood at 176.4 at the end of July, thus registering a decline of 0.4 per cent. from the previous figure of 177.2 for June. This compares with 165.3 for July, 1922; 269.4 for July, 1920, and 117.3 for July, 1914. The index number for the 20 foodstuffs included stood at 187.0, thus registering an advance of 0.3 per cent. over the previous figure of 186.4 for June. This compares with 179.2 for July, 1922; 314.2 for July, 1920, and 129.7 for July, 1914. Lard, fish, canned peas and eggs advanced; butter and sugar declined.

The index number for the 20 manufacturers' goods included stood at 165.7, thus registering a decline of 1.3 per cent. from the previous figure of 167.9 for June. This compares with 151.3 for July, 1922; 224.6 for July, 1920, and 105.0 for July, 1914. Wool, copper and rubber advanced, while cotton, steel billets and silver declined. The fall in the index number for this section is attributable solely to the heavy decline in raw cotton.

Business Trend Upward

A continuance of the upward trend in business despite mid-summer dullness is reported by the Royal Bank:

> Despite the usual mid-summer dullness, reports on general conditions throughout the Dominion indicate that the upward trend of business which has been evident during the past two months is being fairly well sustained. The unusually favorable crop conditions which existed during June and July in virtually all parts of the country are having a stimulating influence on business and are engendering a greater degree of optimism. The conditions of prosperity which were looked for a few months ago have not yet fully materialized but the progress already made is satisfactory.

A good volume of reports on the strength of crop prospects is reported by the Bank of Commerce:

> The majority of factories are working full time, and many of them report that as a result of satisfactory crop prospects in the Canadian West, a larger volume of orders is being placed than for some time. The complaint is made, however, that prices are tending downward, and that as it is difficult to make a corresponding reduction in costs, the chief item of which is labor, the margin of profit is contracting. Workmen leaving for the United States claim that wages in that country are on a more favorable basis than in Canada, but it is not so much the actual amount paid as what that amount will buy that is of importance. Whether a dollar spent in the United States will buy as much as a dollar spent in Canada may be an open question, but as long as the workman is of the opinion that it does, he will go to the United States. There is, however, by no means unanimity as to the relative advantages enjoyed by labor in the two countries, as is evidenced by the return of many men who decided after practical experience that conditions in Canada were preferable.

A more optimistic tone regarding general business in the United States is indicated by the Magazine of Wall Street:

> Again have business conditions undergone the most careful scrutiny by experts, as well as by some who are considerably less skilful, with the purpose of forecasting the future. Speaking generally, the outlook is good. There is strong demand in many lines, broad employment for labor, a high level of wages and but little indication of reaction, save, perhaps, in sporadic cases, or of overstocking with possibly a very few exceptions.

PORTO RICO RAILWAYS

The June earnings statement of the Porto Rico Railways Company shows gross for the month amounting to $109,242 as compared with $110,556 for the same month in 1922, a decrease of $1,314. Net for the month at $35,478 shows a falling off of $6,992 or 16.51 per cent. For the first six months of the year gross amounted to $661,584, an increase over the corresponding six months last year of $5,903, while net at $222,373 showed a decrease of $44,665, or 16.72 per cent.

STERLING COAL

The Secretary of the Toronto Stock Exchange announces the listing of a block of $2,500,000 stock of the Sterling Coal Company, Limited. This represents the entire capital stock outstanding, and ranking ahead of this security is an issue of first mortgage 6 per cent. bonds to the amount of $1,290,000. The stock has been traded in the unlisted department of the local exchange for some little time, and latterly has been one of the more active features. The initial dividend was declared a month or so ago for the quarter ending June 30 last, being at the rate of 4 per cent. per annum. At the current market price of 39, investors are securing a return of better than 10 per cent.

RAILROAD EARNINGS

Earnings of the Canadian Pacific Railway for the last ten days of July totalled $5,004,000, as compared with $4,596,000 for the corresponding period of 1922, an increase of $408,000. For the first seven months of the year the earnings at $93,069,000, compared with $87,641,000, an increase of $5,428,000.

Gross earnings of the Canadian National Railways for the week ending July 31 were $6,877,280, being an increase of $769,614, or 13 per cent. as compared with the corresponding period of 1922. From January 1, to July 31, the earnings amounted to $137,786,896, an increase of $15,877,541.

CIVIC AND PROVINCIAL FINANCE

INCREASED TAXES BACK OF GROWTH IN DEPOPULATION

Rising Cost of Government One of Country's Serious Problems

From Our Own Correspondent

MONTREAL.—The Royal Bank of Canada, in its monthly circular, has come out with a serious warning regarding the ever-mounting expenditures of Canadian provincial and civic governments. The continuous increase in the tax rate of the country and the consequent rise in price levels has been one of the factors in the problem of depopulation with which the country is faced, declares the bank, which proceeds to say: "It is no exaggeration to say that the whole problem is one of the most serious with which the country must cope."

The availability of unlimited credit is seen as a danger, leading municipalities to borrow beyond their legitimate requirements for ambitious projects. As a consequence, prosperity has been interfered with by excessive taxation for the service of the debts, and in at least a few cases, Canadian cities and towns have been forced into a state of bankruptcy.

"Misuse of Public Credit"

In this misuse of public credit, Canada is not following the example of Great Britain, which has pursued a policy of most rigid economy, has eliminated unnecessary costs in every direction and in the last fiscal year applied £1,000,000,000 to the reduction of debts, in addition to reducing taxation.

In Canada the situation has been different. Figures of debts at the end of the war and the present time indicate the growth of public debts and expenditures in Canada. The total gross debt of the Dominion stood at $1,863,336,000 on March 31, 1918. A year later it had increased to $2,460,183,000. On July 31, 1922, it stood at $2,975,372,000. Turning to the provinces, one finds that the debts have without exception increased very substantially, as is indicated by the following table compiled by the Royal Bank:

Funded Debts of the Provinces

	1919	1923
British Columbia	$23,071,936	$78,086,311
Alberta	31,500,200	67,537,986
Saskatchewan ..	31,420,908	52,772,777
Manitoba	33,890,870	66,331,121
Ontario	66,772,338	224,693,420
Quebec	39,706,613	55,604,926
New Brunswick	17,163,089	26,651,432
Nova Scotia ...	16,990,000	24,065,913
P. E. I.	773,000	900,268

Similarly with the cities. The following table indicates the funded debts of the leading Canadian cities in 1919 and 1923:

Funded Debts of the Cities

	1919	1923
Montreal	$112,392,119	$124,328,069
Toronto	90,164,549	136,422,250
Winnipeg	28,129,554	30,465,186
Vancouver ...	29,062,858	29,049,206
Quebec	14,975,647	15,783,268
Ottawa	13,375,098	19,747,930
Hamilton	11 913,317	16,003,078
Calgary	16,114,152	18,737,184
Edmonton	21,281,724	30,082,471
St. John	4,968,826	7,375,355

Some Steps Now Taken

The fundamental need at present is a policy of rigid economy in expenditures. The letter proceeds:

"The fundamental need at present is a policy of rigid economy in expenditures. The general public are probably as much at fault as the governing bodies concerned. Governments labour under the severe handicap of being obliged to depend upon public good will and, therefore, often hesitate to cut down services or benefits which are enjoyed by their constituencies. Such services incidentally have been greatly augmented during the last half dozen years, until at present the annual expenses of conducting the Dominion and provincial governments average approximately $53.90 per capita. The voter is sometimes inclined to attribute to a government the ability to create money, overlooking the fact that whatever money is spent, unnecessarily, represents a direct loss to each individual. It is essential, therefore, that the public realize the urgent need for economy before a government can effectivly bring about such conomy.

"An encouraging feature of the situation is the indication that at least some sections of the country are awakening to the seriousness of the problems involved. At a recent meeting of the Union of Quebec Municipalities for example, it was intimated by the Premier of the province that the government intended shortly to place the control of municipalities under a new department, the head of which would devote his entire time and attention to the regulation of municipal borrowing and spending. The leader of the new Ontario Government recently announced the intention to appoint an eminent financier as comptroller of the province to regulate and restrict borrowing and expenditure. In the province of Alberta, moreover, a Public Utilities Commission has been appointed to oversee the administration of municipal finances. These projects along with similar policies in certain of the other provinces indicate a growing realization of the need for action in view of the enormous increase in the burden of public indebtedness and in the rate of public and municipal taxation."

GAS INCREASE SUSPENDED

At the request of the Ontario Government, the Natural Gas Board has suspended its order increasing the price of gas from 50 cents per 1,000 cubic feet in Windsor, Walkervill and Sombra to 90 cents per 1,000 cubic feet, and in the towns of Dresden, Ridgetown and Wallacebury to 80 cents per 1,000 as "summer season" rates. A deputation from these municipalities recently requested just such action as the government has taken.

Will Encourage Fur Farming in North

SAULT STE. MARIE.—Encouragement of fur farming as an industry for Northern Ontario will be the policy of the Ferguson government, according to the statement of Hon. James Lyon, minister of lands and forests, before the Conservation Association annual meeting. He stated that individuals would be allowed to lease lands for fur farming and "in that occupation there is bound to be a greater future than in agriculture for the Northern Ontario people."

Important developments in the industry are expected. Not only is Ontario the natural home of fur-bearing animals but desirable lands represent only a comparatively small capital investment in this district; property along the Algoma Central can be bought very cheap. Not a great deal of capital would be required because a start can be made with a few animals.

LOSS OF INDUSTRIES ALARMS MERCHANTS

Ottawa Retailers Present Resolution to Board; Concessions In Hull Attract Business

The removal of some companies from Ottawa to Hull, Que., owing to the concessions given in the latter city, such as tax exemptions and fixed assessments, has given rise to some alarm among business men in Ottawa. At a meeting of the retail merchants of Ottawa, a resolution drawing the situation to the attention of the Board of Control, was passed. It read:

"That it is the opinion of this meeting that any removals of industrial enterprises from the city of Ottawa merit the close and full study of the Board of Control and the City Council as to the circumstances involved in this question, and would urge the Board of Control and City Council to favor any reasonable project that can avert the removal of these enterprises from the city, and take steps to do so at the earliest opportunity."

The Board of Control considered the resolution and decided that each case would be dealt with as it arises.

Experiment on Tar for New Roads at Edmonton

EDMONTON.—The installation of a natural gas service in this city, which is now under way, has given occasion to renewed rumors that an oil refinery may soon be established here. T. A. McAuley, president of the Northwestern Utilities Company, which is putting in the gas service, has been approached by an oil refining company, which would be in line for a plant at this point if satisfactory arrangements could be made. The nearness of the gas field and the vast resources, as yet undeveloped, of the Athabasca tar sand deposits are taken as reasons why an oil refinery in Edmonton is a logical conclusion, and sooner or later, it is confidently expected, it will come.

Experiments in the utilization of the northern tar sands are meanwhile proceeding. Under the direction of the University of Alberta and the Advisory Research Council, a quantity of bitumen extracted from the sand during the past winter is to be utilized in the laying of some experimental pavement this autumn, and Thos. Draper, of Petrolia, Ont., who is operating an extraction plant at Fort McMurray, has already had some of his product put down on a test piece of paving in the Edmonton exhibition grounds.

Tenders and By-Laws

TENDERS WANTED

Sept. 1, County of Peel.—$18,000, 5½% 10-instal. debentures. L. H. Willis, County Clerk, Brampton. (See announcement on page 16.)

Aug. 20, Three Rivers.—$240,500, 5½% 20 and 30-year debentures. Arthur Nobert, Treasurer. (See announcement on page 16.)

Aug. 13, Beauharnois, Que.—$40,000, 5½%, 40-year bonds. L. C. Tasse, Sec.-Treasurer.

BRITISH COLUMBIA

The following certificates have been issued by the Municipal Department of the Province of British Columbia upon the following dates:

July 20th, 1923.—City of Kelowna.—"Hospital Aid By-law, 1923," By-law No. 371, $18,000, payable in twenty years with interest at 6% payable half-yearly.

July 20th, 1923.—City of Kelowna.—"The Park Addition Loan By-law," No. 373, $3,500, payable in five years with interest at 6% payable half-yearly.

July 20th, 1923.—City of Prince Rupert.—By-law No. 408, as amended by by-law No. 412, $23,500, payable in fifteen years with interest at 6% payable half-yearly.

July 20th, 1923.—City of Prince Rupert.—By-law No. 409, as amended by by-law No. 413, $55,000 payable in twenty-seven years with interest at 6% payable half-yearly.

July 25th, 1923.—Delta.—"Ladner Ditch by-law, 1923," $3,386 payable in five years with interest at 6% payable annually.

July 25th, 1923.—Delta—"Chillucthan Ditch by-law, 1923," $5,667, payable in five years with interest at 6% payable annually.

July 28th, 1923.—City of Port Alberni—"School Buildings Loan by-law, 1923, No. 181," as amended by the "School Buildings Loan Amendment by-law, 1923, No. 189," $5,000, payable in ten years with interest at 6% payable half-yearly.

CANCELLATION OF SUBDIVISIONS IN ALBERTA PROCEEDS

Part Of The Plan To Clear Up Tax Arrears

The increased activity and the methods employed in attempting to collect overdue taxes in the province of Alberta are described at some length in the annual report of the department of municipal affairs for that province. Provisions for the enforcement of tax collections have been incorporated in the different municipal acts, when each municipality was set up. The methods in use from the beginning were collection by suit, distraint or some legal procedure against the land itself. These were found to be cumbersome and expensive. In an effort to improve the situation, in 1919 a Tax Recovery Act was passed, providing for advertising lands in arrears of taxes for sale to the highest bidder. The method of procedure has been further simplified by a new act passed in 1922.

A movement to do away with unnecessary subdivisions created during the land boom of 1909 and the years following has met with some success. The results to date are described in the department's report. It says:

"During the days of the so-called land boom, subdivisions were made of large quantities of land, which in the subsequent years were never disposed of, and on which taxes accumulating for school and municipal purposes were not paid. The various municipalities have been taking care of such subdivided areas within their midst, and private owners in many instances have, through the Board of Public Utilities Commissioners or through Commissioners under the Subdivided and Other Property Act, been cancelling such subdivisions. Work of this character in the improvement of districts has fallen to the Department of Municipal Affairs. Up to the present time the department has cancelled six such subdivisions, involving 2,774 lots, and at the present time the department has handed over to the Commissioner under the Subdivided and Other Property Act, 150 additional subdivision plans, involving approximately 90,000 lots. The taxes levied against these subdivisions are usually far in excess of the present value of the land, but the result of the cancellation will be to place these lands on the market as farm lands and when sold will once more place them in the position of productive assets for the levy of taxes."

The report indicates that some progress has been made in collecting the arrears of school taxes. During 1922 the province secured in this way $77,695.

The policy of making seed grain loans has come in for some criticism by those loaning money in the province, especially the insurance and loan companies, as these loans rank ahead of mortgages. The history of the scheme is outlined in the report: It reads:

"In the year 1918 and subsequent years the municipal districts were given power to borrow money for the purpose of granting seed grain and relief to their residents, and these borrowings were guaranteed by the Provincial Treasurer under the direction of legislative enactment. At the end of 1920 the banks desired their money, and the province paid the notes they had previously guaranteed, still holding the municipal districts to the responsibility of collecting the liens and other securities which they hold from the individuals to whom the relief or seed grain was given. At the first the administration of this fund was placed in the hands of the treasury, but during the year 1922 the onus of collecting these funds from the municipalities was placed on the department of Municipal Affairs. In order to carry on this work it was first necessary to obtain a correct accounting with every municipal district. This has involved considerable labor and the services of three competent employees with the result that at the end of 1922 the accounting is in correct form and some collections have been made. However, at the end of 1922 there remained in the hands of the province as a liability from the municipal districts a principal sum of $2,088,234.48, with interest unpaid of $117,322.29, or a total liability for seed grain advanced to the municipal districts to the end of 1920 of $2,205,556.77. In addition to the seed grain, the province paid banks for advances made for relief to the end of 1920 the sum of $491,065.05 of which amount at the end of 1922 there remained unpaid to principal alone $475,116.38. The Dominion Government assumed the liability for one half of this amount, and therefore there is a net obligation of principal from the municipal districts to the Provincial Government of $237,558.18 and a like sum to be collected by the province but due to the Dominion Government.

Lower St. Lawrence Power Plant Complete

From Our Own Correspondent

MONTREAL.—This week the Lower St. Lawrence Power Company completed its water power development at Metisse Falls, and the company will be distributing power in September.

The first development has a capacity of 3,700 h.p. of developed energy, and later a second unit will be added, bringing the output to 7,500 h.p. The company has achieved the record of developing the lowest cost electrical energy in Canada. The cost of the first unit has been $68 per horse power, and when the second unit is added, the construction costs for the whole development will not have exceeded $42.50 per horse power. Few power developments are constructed at under $100 per horse power.

The power will be sold in Rimouski and sixteen other towns and villages in the district.

WEEKLY RECORD OF GOVERNMENT AND MUNICIPAL BOND SALES

Date	Place	Sold to	Rate	Term	Amount	Price	Basis
Aug. 2	Sault Ste. Marie	Wood, Gundy & Co., Toronto	5½%	30-ins.	$49,000	100.39	5.46
Aug. 3	Guelph	Matthews & Co., Toronto	5½%	20-yr.	36,200	103.21	5.24
Aug. 2	Levis, Que.	J. B. Couture, Quebec	5½%	20-ins.	55,000	99.00	5.62
Aug. 2	Amherstburg	Locally	....	....	17,000	....	...
July 30	Dresden	Aemilius Jarvis & Co., Toronto	5½%	15-ins.	49,965	99.75	5.54

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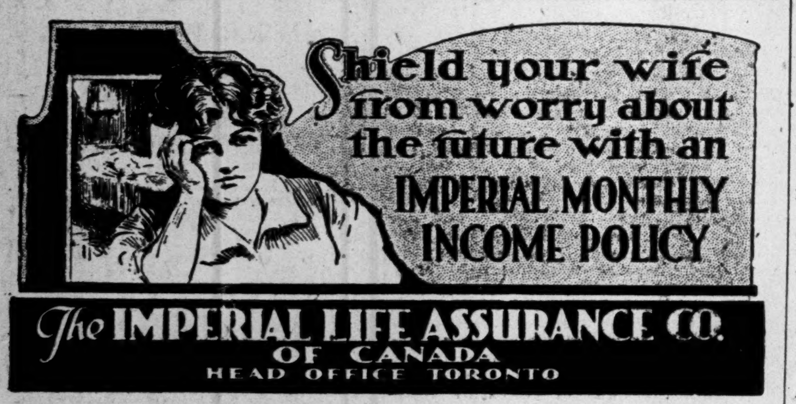
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BENEFICIARY MAY BE APPOINTED BY WILL

Must Not Override Restrictions Imposed by Legislation to Protect Preferred Class

In a pamphlet dealing with wills, especially as they affect life insurance, the Great West Insurance Co. says:

"When a life insurance policy is payable to the Estate it is dealt with automatically by the Will. The company settles with the Executor on a certified copy of letters probate being filed along with the usual claim papers. Where there is no will, letters of administration are obtained, and a certified copy is filed with the company by the administrator.

"Where the policy is payable to a named beneficiary or assignee, the policy-contract speaks for itself. If the claimant is of age the company settles with the individual entitled to the proceeds on due proof being filed. A notarially certified copy of the insured's last will (not necessarily the probate) is requested as a precautionary measure, in case some valid disposal of the insurance policy has been made therein.

"It is permissible, within certain restrictions, to make an appropriation of a life insurance policy in a will, and if such is done care must be exercised in properly identifying the contract, preferably by name of company and policy number.

"Where such an appropriation is made in a will it must be borne in mind that the appropriation, as against subsequent appropriations, shall be deemed to have been made as at the date of the will. This is in view of the fact that a will is construed as at the date of death of the testator.

"It can be readily appreciated that it is only possible to do in a will what is legally valid otherwise. Accordingly it is necessary to explain here the different classes of beneficiaries. These are known as "Preferred," "Ordinary" and "Beneficiary for Value." The last named is practically the same as an assignee, and it is generally conceded that such a beneficiary should be created by way of assignment of the policy in the regular manner. Nothing can be done by the insured to the prejudice of a benefciary for value or assignee.

"Regarding 'Preferred beneficiaries' the Insurance Acts of the different provinces vary as to this class. In Ontario, Alberta, Saskatchewan, Nova Scotia, Prince Edward Island and Newfoundland they include husband, wife, children, grandchildren, and mother. In Manitoba and British Columbia they consist of husband, wife and children only. The effect of naming a beneficiary in the preferred class is substantially the same in each province. A 'Trust' is created and the insured has only a limited control over the policy. He cannot go outside the preferred class in any subsequent appropriation he may desire to make. He is, however, free to transfer within the class in any way he pleases. The insurance money, moreover, is exempt from attchment for debts due by the insured.

"All beneficiaries other than 'Preferred,' 'Beneficiaries for Value' and 'Assignees' are known as 'Ordinary.' In this case the insured has absolute freedom of action (with the exception of British Columbia) in changing the appropriation as he may think fit. In the event of the death of an ordinary beneficiary the share of such individual reverts to the estate of the insured. It might be well to mention that the enactments regarding wills and the life insurance law governing beneficiaries in the Province of Quebec, are considerably different from the other provinces, so that a special article has been published in regard to that province."

INSURANCE FOR BUYER AND SELLER

HOW INSURANCE SYSTEM ASSURES CLAIM PAYMENTS

Moderate Sized Companies Carry Heavy Risks Without Danger

Enquiries reaching THE FINANCIAL POST from time to time, indicate the desire of insurers to place their fire insurance where they are absolutely sure the claims will be paid. They reflect the realization that insurance is only of value when it rests on foundations with security beyond question. Many ask why the fire companies exhibit extreme security. The answer lies in the system, as long experience has developed it.

Fire insurance is now recognized in all parts of the civilized world as a necessary adjunct to every business endeavor, where property of value is involved, and while literature on the subject is plentiful, the great mass of insurers, even among highly intelligent classes, do not appear to understand the basic principle by which the business is operated.

Fire insurance was first established after the great fire of London in 1666, and it seems to have been started along the lines of the mutual plan, but a great development took place in the early part of the eighteenth century, when fire companies were established and capital invested for security of the policy-holders.

Like most other branches of business and commerce it appears to serve the communities best through this means of private development and at the present time probably 90 per cent. of the total insurance is placed in stock companies.

The primary object of insurance is to make safe and secure that which has been accumulated and it would seem natural to assume that the invested capital and gradually accumulated assets of the private corporations represent the security sold to the public. Insurance companies are simply a means of collecting a large tax paid over the whole country in order to pay for the losses of the few and competition entering into the service keeps down the rates to a small margin of profit. The law of averages is a fundamental factor behind a complicated fabric of reinsurance. No one company will bind itself to cover an extremely large loss in a particular place, although it issues a policy nominally to the owners for the full amount. If the risk is accepted arrangements are immediately made with another company to reimburse the original underwriting company for a part of the claim. In return for this guarantee part of the premium is turned over. It is this reinsurance system which makes it possible to insure risks of considerable size with a moderate sized company. In such a case, the payment is guaranteed in fact, by the assets of a number of companies. An additional safeguard lies in the fact that companies as a rule limit the number of properties they will cover in any district, to avoid ruinous losses in a general conflagration in any area.

The general results over a period of years determine the rates charged. Considering this aspect of the situation, Fred W. Pace says:

> The final cost would appear to be in the hands of the public and one object of these articles will be to endeavor to point out in what manner the cost of insurance may be reduced.
>
> It has been estimated that from 75% to 90% of fires are caused by carelessness or ignorance on the part of the public; in many cases this amounting to almost criminal degree. It is pointed out by many that the law does not usually excuse ignorance of the statutes and it is held by many persons that it lax in this respect, as Canada has the should not excuse ignorance of the use of inflammable materials which cause such terrible destruction of life and property. It is held by many that a great majority of persons who have fires should be punished and it would seem that in Canada we are specially unenviable reputation of having the greatest loss, per capita, of any civilized country.
>
> Some laws of more radical nature should be enacted to prevent this almost criminal negligence and reduce this tremendous insurance tax, which last year amounted to upwards of forty million dollars.

Former Head of Miller's Fire Dies in Hamilton

Seneca Jones, who died in Hamilton on July 30, was well known in fire insurance circles. In the year 1868 he went to Hamilton to manage the insurance agency of MacKenzie & McKay, which he continued for five years. He then opened an insurance office on his own account, securing the agency for several important fire companies, to which he added life, accident and guarantee insurance, thus building up an extensive general agency business.

In 1878 he organized and established the Canadian Millers' Fire Insurance Company, devoted exclusively to the insurance of flour mills and their stock and grain. In 1913 he retired from the management of the Canadian Millers' Company and with his son, Norman S., formed the insurance brokerage for the purpose of specializing in flour mills and grain insurance, thus controlling that class of business throughout Ontario, Quebec, Manitoba, Saskatchewan and Alberta.

Foreign sales of the Ford Motor Company for the first six months of 1923 exceeded by nearly 100% those of the same period a year ago. Exports of cars and trucks for first half year totalled 95,087, against 48,707 in 1922.

Most Life Companies Ahead of Last Year

Some interesting statistics regarding the life insurance business in Canada for the first five months of 1923 as compared with the same period of last year have been published by the Life Insurance Sales Institute. These figures are compiled from the reports of companies operating in Canada, which on January 1, 1922, had 85.4% of the total business in force in Canada. For the first five months of this year British Columbia, Nova Scotia and Newfoundland had newly paid for business of 116% to 130% as compared with last year. Saskatchewan, Ontario and New Brunswick showed 106% to 115%; Manitoba, Quebec and P.E.I. 96 to 105%; Alberta 88%.

A number of companies wrote more business in June than ever before in any single month.

SEEKING TO WIDEN CREDIT BY AID OF NOVEL BOND ISSUE

Large Surety and Life Companies Co-operate In Plan

To establish retail and wholesale business on a more sound and healthy credit basis and to provide the facilities by which that basis can be obtained, is the idea behind the mercantile bonds offered by Mercantile Bonds, Ltd., of Brantford. With the bonds are issued collateral certificates which can be used as security for commercial credit, while the whole arrangement is strengthened by a life insurance policy.

It is submitted that the bonds offered to business men are a means of establishing and maintaining a definite line of credit independent of an ever-changing money market. The bonds are issued in units of $1,000 to $5,000 and with each unit of $1,000 is attached ten collateral certificates to the value of $100 each, to be used as collateral deposits for the purpose of financing. The period is ten years on the weekly-payment principle. Upon maturity, these certificates are redeemable at their face value. The insurance is part and parcel of the bond and guarantees that in the case of death prior to the expiration of the bond, the full amount of the bond becomes immediately payable by the company, assuring that any unused or outstanding collateral certificate will be redeemed and that creditors holding them as collateral will be paid in full, the estate benefiting to the full extent of the bonds. In the event of the bond being discontinued previous to maturity, the holder is entitled to the cash surrender value.

A feature of the arrangement is that with the taking out of the bond the purchaser gives the company access to his books and the latter will co-operate in seeing that the business is soundly conducted. If the business is not being run on a sound basis of accountancy an audit will be arranged by the company. Where a satisfactory audit is already being made, this will be recognized.

The plan is a new one in the form being adopted by Mercantile Bonds, but that it is sound is indicated by the fact that the co-operation of one of the leading American credit indemnity corporations and one of the strongest of the Canadian life insurance companies has been secured.

OFFER INSURANCE ON NEW ASSESSMENT PLAN

So-called Club Seeks Members in Western Canada Similar To Fraternal Societies

Information has reached THE FINANCIAL POST that certain so-called societies or clubs for life insurance purposes are seeking members in Western Canada. The basis of membership is an initial or entrance fee of $5 and an annual fee of $2. In one such organization there are 1,500 members. In addition to the regular fees, each member must contribute $1 on the death of any other member, resulting in a payment of $1,500 to the deceased member's heirs, and the latter's place in the club is filled by a new member.

This plan is merely a loose form of the friendly societies which operated on an assessment system, and were common in Canada many years ago. This plan has been found so disastrous that legislation has been passed forcing such bodies to place their business on an actuarial basis similar to that of the regular legal reserve life insurance companies.

The old plan erred fundamentally in its calculation of death and premium rates. While its members were young, the death rate was low and the assessment small accordingly. As the members grew older, the death rate increased and the assessments became so large that many were unable to meet them. In many cases an effort to secure funds to meet the ever-increasing tide of claims was made by securing large numbers of new members, but this could not go on indefinitely.

Experience has shown that death claims are much more numerous at older ages, and that the average person insured is unwilling to pay a premium which is increasing year by year. To overcome these factors, mortality tables have been worked out and level or constant premiums are charged. The insured pays more than the cost of pure protection in the early years and, in this way, builds up a reserve to take care of the heavier risks when he is older. This introduces many other valuable features of modern life insurance such as cash surrender values, loan values, non-forfeiture clauses, and the element of saving for old age, in case an early death does not occur.

WRITE INSURANCE TO COVER LOSSES FOLLOWING FIRES

Stopping of Production May Result in Serious Loss

The heavy losses which many business men, especially manufacturers, have suffered due to the stoppage of production following heavy fires during the past year, have given an impetus to use and occupancy insurance. The benefits conferred by this class of protection are amply illustrated in the fire which occurred at the Saxon motor works in Detroit on Feb. 3, 1917. The factory was burned in a zero temperature and the dismantled plant was heavily covered with ice. It was impossible to salvage the debris for some considerable time, as cold weather and heavy snow storms continued for several days. Moreover, it was necessary to leave the ruins as the fire had placed them to provide material evidence for the claim for direct fire loss. At the time, brick was not available in Detroit, labor was scarce, railway traffic was tied up and supply companies were unable to replace elevator shafts and other equipment for six months. The company had purchased the yearly supply of certain parts but had no place adequately equipped to assemble the full supply and avoid carrying them over to the following season. A tremendous loss through the forced inactivity was largely overcome by a use and occupancy policy.

There are two distinct forms of policy which cover these risks. The American form, called the use and occupancy cover, differs somewhat from the English "consequential loss" policy, but in general principles they are alike. The first step in placing such a policy is to determine as nearly as possible the fixed charges and net profits of a company per annum. The nominal amount of the insurance is a fixed sum, not at any time exceeding the total of these two. The amount of a claim under the policy is then one-three hundred and sixty-fifth of the face of the policy times the number of days through which the loss endured.

The use and occupancy endorsement provides a limit of insurance for any one accident and a limit of indemnity for each day's loss. It presupposes that the production loss is the direct result of an accident to the equipment listed on the machinery policy schedule. The word "accident," as used in the endorsement, is definitely defined in the policy to which the endorsement is attached.

The daily limit of indemnity becomes available only when there is a total prevention of production. In the event of a partial prevention of production, the company will be liable to the assured for such a proportion of the amount it would have been liable for in case of total prevention as the decrease in production per day from the average production bears to the average production at the time of the accident. By "average production" is meant the daily average production of the producing days in the 52 weeks next preceding the accident.

In case of loss, the company must be notified immediately and the insured is required to furnish proof of the loss. Policies are sold which state the time following a loss which must elapse before the insurance company is liable. In some cases the indemnity is payable for every day immediately following, while in other cases a period of time is specified, usually from one to eight days, during which the insurance company is not liable. Thus, if a loss halted operations in a plant for three days only, where the policy called for an eight-day interim, no claim for damages could be made by the insured.

Provision is also made for seasonal industries, such as canning factories, etc., by allowing a reduction of premium, if the assured elects in advance to make no claim for indemnity for any part of a specified period in each calendar year. Each such period must consist of at least thirty consecutive days.

Extreme care is used in the selection of risks on this plan. The chief considerations are: (1) the care and management, (2) the financial condition of the business at the present time, and its possibilities for the future, (3) the physical conditions about the plant, especially the boiler and engine room, (4) what reserve equipment is at hand, and (5) the accessibility of the risk.

While accidents causing breaks in machinery may force the closing down of a plant for some time, most losses of this sort are occasioned by fires. All businesses are subjected to these losses to a greater or less degree. Those which have heavy fixed charges and are accustomed to buying large stocks of supplies in advance are especially susceptible. Where the machinery or stocks used are of a peculiar nature, such as reeds, dyes, etc., or of foreign origin, extreme difficulty may be experienced in replacing those destroyed. In such cases the forced inactivity may result in a greater loss to the company than the direct damage from fire, water, and other causes.

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Reported Amalgamation of Insurance Companies

It is reported from a reliable source that the Northern Assurance Company is purchasing control of the London & Scottish Assurance Corporation, formerly called the London & Lancashire Life Assurance Company. The purchase price is £840,000, represented by 50,000 shares of Northern Assurance at £16 per share and £40,000 cash.

Under the terms of the purchase, both companies are to retain their separate identity. Both have been writing fire and numerous classes of casualty insurance in Canada, the former since 1867 and the latter since 1880.

THE ROOT OF THE FARMERS' TROUBLE LIES IN EUROPE

Only Solution is To Restore The Export Markets

CREDIT NOT ANSWER

Truth of Situation is That the Farmer Has Had Too Much Credit in Past—Co-operation Can do Little

By BENJAMIN M. ANDERSON, Jr., Ph.D.
Economist of the Chase National Bank, New York.

Changed marketing methods and changed credit methods in agriculture, however excellent for the long-run future of agriculture, are feeble and irrelevant remedies for the present acute agricultural distress. The farmers' troubles grow out of a breach in the world's economic equilibrium. With Europe disorganized, and with production "as usual" in the rest of the world, there is a relative scarcity of manufacturing activity, and a relative excess of farm production, raw material capacity, and shipping. There is not a general over-production, but the proportions are wrong, and this means over-production in certain lines, of which wheat and hogs are striking examples. For agriculture to accept vast new credits at the present time would mean putting a lot of new capital into an already over-expanded industry. This would mean increased agricultural production, and still lower prices for farm products. There is no help for the farmer in this course.

Agriculture may very properly, however, continue the process already under way of funding short-term debt into long-time obligations. There are cases where country banks are carrying short-dated paper, several times renewed, which the farmers have not been able to pay because of the low prices of their crops. The paper is good. The farmers will pay in the course of time. But it is not liquid. As a result, such banks have not enough liquid assets to enable them to meet satisfactorily the current borrowing needs of their customers. Where the farmers can borrow on long-term mortgages, and clear up the situation, it is distinctly desirable for all concerned.

Too Much Credit in Past

We may also approve new credit machinery which will enable our heavily-burdened farmers to replace old mortgage loans, made at high rates, with new ones made at lower rates.

The farmer's present difficulty, however, is partly due to the fact that he has had too much credit and too easy credit in the past. Greater difficulty in securing credit in the past would have lessened the evils of land speculation, and would have compelled the farmers to save more of their boom-time profits.

A caution is also in order against an undue multiplication of different kinds and qualities of farm credit debentures and bonds. The investing public cannot be rushed too rapidly in the process of education. The investor demands ready marketability as well as soundness in low-yield bonds. We must not glut the market, or confuse it by a multiplicity of issues.

Co-operative marketing is to be commended where it accomplishes technical improvements in the marketing process, but is to be condemned where its purpose is control of prices through speculation and holding. There is a co-operative in California which, dealing in a perishable commodity, does not speculate at all. It has standardized its product, assuring the distant buyer as to its quality, and thus getting a better price. It knows, through agents, the state of markets in various cities, and routes its products to the best markets at a given time, avoiding the local gluts which unorganized shippers used to create. It avoids wastes in shipping by expert packing, and avoids the use of expensive refrigerator cars by its pre-cooling stations. It serves a local group of producers, whose markets are scattered and distant. Its success is great and its services undoubted.

Wheat and Co-operation

Co-operation has been especially needed in marketing perishable commodities. It is much more needed in commodities hard to standardize and grade, like vegetables, tobacco, or even wool, than in the case of wheat or cotton.

Highly-competitive markets, and especially world-wide markets, like those for wheat and cotton obviously require less co-operative organization by sellers than in cases where a few great buyers dominate the market.

Where middlemen and commission merchants are upright, loyal to clients, and expert, no hastily constructed amateur co-operative can possibly compete with them in the long run. Of course, co-operatives may be expert too, and may, with sufficient outlay of time and expense, build up world-wide trade connections of a valuable and adequate sort. But farmers will be well advised to study the existing machinery of their various markets, and consider how far it is necessary to duplicate it. Often an inexpensive local co-operative, which turns over most of its business to well-established reputable firms in the central markets, may be far wiser than an expensive, elaborate organization, covering a wide territory. Often, too, the local buyers will enjoy so much confidence that no co-operative at all will seem necessary. Co-operation is not costless. It should be viewed as a business proposition. Discriminating study of individual cases is needed.

Existing Machinery

In the case of wheat and cotton, the existing machinery does most of the things that the California co-operative, referred to above, does, and some things in addition. It standardizes the product. It supplies information of world-wide conditions of supply and demand and prices, which the daily press, and now the radio, pass on to remote hamlets. It avoids price depression through local gluts. Prices of cotton at Liverpool, New York, and New Orleans, in view of constant trading by telegraph and cable, rarely differ by more than cost of transportation at a given time. Future contracts bind present and future together, tending to make prices at time of greatest scarcity only enough higher than harvest-time prices to cover carrying charges—interest, storage, shrinkage, insurance, etc. In principle, competition would eliminate the profits if the spread should be greater than that, and statistics, covering prices of grain and cotton for many years, show that, on the average, the difference in prices between the seasons is barely enough to cover the carrying charges. Local co-operation, especially in cotton, may well be called for to enable the Southern farmer to get better grading. But it will be well for co-operatives in both wheat and cotton to consider carefully how far there is need for a general duplication of existing marketing machinery.

Trouble Is in Europe

Distinctly sympathetic to carefully worked out methods of improving credit machinery in agriculture, and distinctly sympathetic to the general co-operative movement, I none the less am greatly concerned by recent proposals that there should be a general holding movement, carried out by co-operatives and financed by the new credit machinery, designed to raise prices of various crops, notably wheat. I am not willing to encourage our farmers to engage in speculation on borrowed money. Co-operatives should be marketing, and not holding, organizations. If a great co-operative pool should succeed in holding 200,000,000 bushels of American wheat off the market, it would, of course, raise prices for a time. But it would merely defer the day of reckoning. Argentina, Canada, and other exporting countries would capture the export market. The higher prices would increase wheat production throughout the world. The longer the pool held out, the worse the ultimate smash would be.

The remedy is not to be found in unsound speculation, but rather at the root of the trouble, which lies in Europe. We shall help our farmers best if we take active steps to restore the balance among the world's great industries, through getting Europe back as a great producer and consumer which pays for foods and raw materials by sending a back-flow of manufactured goods.

The Labor Bank Idea

The whys and wherefores of the labor bank grow more exciting as the number of these installations increases. The propaganda, however, is rather more enthusiastic than illuminating and so one turns with refreshed expectancy to a restrained and judicious survey like that contributed to the June Atlantic by George Soule, who is introduced as "one of the most scholarly and thoughtful among radical writers on economic and social questions."

Mr. Soule notes that numerous conservative bankers exhibit "a somewhat surprising hospitality" to these new competitors. Why do bankers regard the labor bank movement with such complacency? In some labor quarters this has aroused suspicion. "Bankers are not loath to welcome labor into a field where it is likely to fail, with disastrous consequences to the unions." That explanation is, of course, based on the fallacy that bankers are the natural enemies of labor unions. Mr. Soule sets this notion aside as every unbiased person must. His own conception of this "surprising hospitality" is not so fantastic. The uppermost thought in banking circles "seems to be that, once the unions engage in practical banking they will understand the financial structure of the country better and that as a result they will become less radical and will not direct against the banker so much hostile criticism based on lack of experience." Almost every current reference to labor banking, in regular banking quarters, will substantiate this view.

From a recent bulletin of one of the greatest banking institutions of New York we take the following:

> One of the most distinct services these banks will render will be in demonstrating how little there is in the idea entertained in some quarters that banking is a business of privilege and that banks do nothing that is beneficial to the common men. The labor banks have all the privileges that any other banks ever have had, and if they can demonstrate their ability and willingness to render better service than other banks do they will walk away with the business. If they encourage the practice of thrift, teach the value of private wealth to the community, and help to inculuate respect for property rights, as may be expected, bankers generally will rejoice in the progress of the movement.

And this from another high banking source:

> Among bankers the disposition is to approve these experiments on the ground that the greater the responsibilities labor assumes and the more experience it gains, the greater will be its understanding of business and banking problems.

To the radical labor economist, the forces which control the dispensation of credit are the determining forces in the economic process. The man who decides where the money shall go, who shall have it, and what he shall use it for, virtually decides according to this theory, what sort of industrial order we shall have. The industrial order which has resulted is not entirely satisfactory to labor. Yet that order is sustained to a substantial degree by the use of the capital accumulated by labor. Why not then withdraw this capital into credit dispensing agencies that will use it towards the promotion of an industrial order more beneficial to the wage earning class? All this seems vague and remote from reality, but Mr. Soule outlines what possibilities there may lie in the labor banking field, as follows:

> Of course, it is recognized that most bankers do not appreciate the full possibilities of the control which, it is thought, lies in their hands. It is understood that the usual banker is wondering how he can get the largest interest-return consistent with safety and the banking laws. But supposing the banking function were exercised by representatives of millions of depositors rather than in the interest of the limited number who make a profit in the business of loaning other people's money, would it not be possible to direct the productive forces of the nation in such a way as to bring greater welfare to a greater number? Would not essential industries be encouraged if necessary at the expense of the luxury industries which serve only the well-to-do? Should we be manufacturing high-power pleasure cars, for instance, while the farmers were unable to finance the marketing of their grain and the unemployed were starving in the cities? Persons who are conscious of such anomalies, which frequently appear in our civilization, and who believe that the control of credit is the lever by which the economic world might be moved, look with keen interest upon the entrance of labor into banking.

Progressive bankers are not so indifferent to these matters as the labor bankers seem to imply, says the Bankers' Home Magazine:

> We believe that the vast power which our bankers wield is on the whole being steadily directed towards the achievement of a more stable industrial order which must redound to the benefit of wage earners.

But Mr. Soule recognizes that rapid as is the growth of the labor banks, "they cannot for a long time, if ever, achieve a sufficient control of credit to accomplish any of the more ambitious aims which may theoretically be possible. For the time being they must nourish their growth within the industrial and financial system as it is; they are subject to the banking laws; they must, if they are to compete with other banks, practise banking based upon an order which permits the profitable and safe investment of capital. Only as they can, little by little, seize upon and put into effect principles which may modify the present structure in detail, principles which offer even a sounder development than is attained by the non-co-operative banks, can they prosper and grow."

In two of its practical aspects, the labor bank makes a strong appeal to the particular clientage which it hopes to serve. The rule of limiting the stockholder's share to 10 per cent. and the division of the remaining earnings among depositors is alluring. But the benefit to the smaller depositors of this practice will probably prove disappointing.

SAVING FORESTS NOT REAL MOTIVE BEHIND EMBARGO

(Continued from page 1)

heads of Mr. Fielding and some of his confreres at Ottawa there may have been the thought that an embargo threat would be an excellent club to bargain with in tariff matters. But when it gets down to the final analysis, Canada is not thinking about the American tariff at all in this matter, much as this country has been hurt by that tariff. There are broader and more important reasons why the embargo should go on.

Many American newspapers have hysterically proclaimed the embargo as a threatened unfriendly action. But the calmer ones are frank to admit that the embargo would be nothing of the kind any more than the Fordney-McCumber tariff, which interfered with Canadian commerce as it was before the tariff, is an unfriendly action on the part of the United States to Canada. One newspaper, calling for better trade relations between the two countries, traces the present differences of opinion on many economic matters, and the consequent lack of joint action, to Canada's refusal of the reciprocity treaty in 1911, a refusal that started a series of trade discriminations.

Is It a Conservation Measure?

Many Canadian newspapers, favoring the embargo, have declared it necessary to save Canada's forests from depletion. It may as well be frankly admitted that the embargo would not do a great deal to save Canada's forests from depletion. Canada is cutting about 4,000,000 cords of pulpwood yearly. Of this amount roughly 3,000,000 cords are used in Canadian pulp mills and paper mills and would not be affected in any way by the embargo. The remainder, about 1,000,000 cords, is exported to the United States and it is the exportation of this wood that would be prohibited. If its export were prohibited, the natural result would be the establishment of a further series of pulp mills in Canada or the enlargement of the capacity of the present mills to the end of converting this wood into pulp in Canada to be shipped into the United States in that form. The United States mills would require the excess, over their own supply, whether in the form of wood or wood pulp. So the wood in some shape would leave Canada and would have to be cut. Moreover, the quantity of pulpwood exported does not cut much figure when compared with the depletion of Canada's forests from other sources. It is estimated that 200,000,000 cords of Canadian pulpwood have been destroyed by the budworm in the past few years. Even allowing for a doubling of the quantity of pulpwood exported each year, three generations would not see as much pulpwood exported as has been destroyed in a few years by an insect that could be fought. It is foolish, as more than one maxim-writer has pointed out, to turn off the spigot and leave open the bunghole, and as a measure of conservation it will not get Canada very far to save 1,000,000 cords of wood each year that brings a revenue to the country, and to lose many times that in preventable insect depredations and forest fires. Let the word be repeated—preventable.

Justified on Broader Grounds

Canada can justify its action in planning to prohibit the export of pulpwood but not first of all as a measure of conservation. Canada should prohibit the export of pulpwood on the ground that our natural resources should be made to return the highest possible revenue to the country. If we do not allow other nations to buy our pulpwood they will buy our pulp or our paper instead. We should, then, manufacture the pulpwood into pulp and paper and leave that many more millions of dollars in the country to add to Canada's wealth and to help adjust the balance of trade.

Objection to the proposed embargo has come in Canada from several sources. Premier Taschereau, of Quebec, is opposed on the ground that it would be an interference with provincial rights. Another objection raised is that the embargo is a restriction upon free and unhampered business dealings. Such objections will have their chance for hearing at the sittings of the Royal Commission. These two are easily answered. Provinces are naturally jealous of provincial rights but Quebec and the other forested provinces have subscribed to the pulpwood embargo by their own action in prohibiting the export of pulpwood from crown lands. That it is an interference with business is, of course, true, but so is the tariff an interference with business. The whole scheme of protection is an artificial fabric that aids many businesses but hurts many others and is justified, first, because it is believed to aid more than it hurts, and because it is believed to serve the national interests despite unfairness at isolated points.

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Winnipeg Free Press Crop Report

The Winnipeg Free Press issued, August 6th, its fifth progress report on the condition of the Western crop. The report consists of detailed, definite statements from 273 crop centres over the whole of the Prairie West. The complete report will be sent to any person on request.

The report is of intense interest to the business life of Canada at the moment, because of its competence in definitely appraising the extent of damage which has admittedly been sustained on the wheat fields of the West during the past three weeks. Its findings may be summarized as favorable.

Over certain areas of Central and Southern Manitoba and South Saskatchewan the damage from rust, heat and saw-fly has been heavy. The Free Press has reports from 90 points where the damage is estimated at from 10 to 60 per cent. Over these districts the correspondents' reports would indicate that the good yields promised three weeks ago had been cut fully in half. The whole acreage to which this degree of damage might apply would amount to a possible 2,000,000 acres out of a total estimated Western wheat area of 20,995,700 acres.

There are other areas, considerably larger in the aggregate, where the damage is reported as slight, and where an average crop is expected.

The Free Press presents 73 detailed reports from crop centres in these districts.

Finally there are ample reports including all but one from the Province of Alberta and 48 from the favored portions of the two easterly Provinces, from each of which a better than average crop is expected. In many of these districts the best crop since 1915 is anticipated.

Wheat cutting is now general in Southern Manitoba, and will be general throughout that Province by August 15th, in Saskatchewan about August 20th, and in Alberta by August 25th.

This report should serve to allay the fears of business men—on the one hand that the crop would be so large as to be unmanageable and unmarketable, on the other hand that it would be such a failure as to curtail the buying power of the Western people. Neither calamity is going to occur.

It should also prove to business men, once again, that Western Canada is bigger than any district, and, by its extent, furnishes its own best crop insurance; that business conditions are becoming more and more stabilized in the West every year; and that there never was a more hopeful time to advertise and do business in Western Canada than at the present moment.

When you advertise, you will of course advertise first in the *Winnipeg Free Press*, the leading newspaper of Western Canada.

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CANADA WILL BE HANDICAPPED AT BIG CONFERENCE

Business Interests Are Not Being Consulted Here

A BIG DISADVANTAGE

Great Britain and Australia Are Proceeding Along Practical Lines in Studying Problems

VANCOUVER.—"Valuable and far-reaching results may reasonably be expected from the trip to Great Britain of the Board of Trade's delegation, through improved trading relations and the establishment of personal contact between manufacturers and officials in Britain and the business organizations of British Columbia," said Mr. J. B. Thompson, president of the Board of Trade, who returned home on Sunday.

As a practical manufacturer, the president of the Board of Trade realizes the great importance of the Economic Conference to be held in London in October at which delegates will be present from all the Dominions of the Empire, sitting around the same table with the representatives of the Mother Country.

British ministers, aided by a large group of practical experts acting as official advisers, have been preparing for months past their case to be presented to the conference, he says. The government has appointed the president of the council of agriculture, the president of the Federation of British Industries, a representative of the Federation of British Empire Producers, as well as a number of bankers and other practical commercial experts, to act as the advisory committee to the government members who will speak for Britain at the conference.

Big Preparations

A similar policy has been followed out by Australia, New Zealand and South Africa, says Mr. Thompson, who states that those sister Dominions have had practical experts in London for six months compiling briefs on the basis of which they will sit in at the conference as advisers to the official government delegates.

The important point in this policy, Mr. Thompson points out, is that the men appointed both by Britain and the three southern Dominions, are all practical manufacturers and business men and bankers, who will be in a position to advise, not in any theoretical manner, but from every-day experience obtained in the conduct of the country's leading industries.

Mr. Thompson says he was astonished when he learned in London that practically nothing of this sort is being done by Canada. So far as he could gather from Canadian government representatives in England, there was no group of practical men there working on the case for Canada. It was not even known if such a group of men would be appointed to advise the government delegates. On his return to Canada he was informed that the Ottawa government had decided to adopt a different policy from that of the other Dominions, in that Premier W. L. Mackenzzie King has announced his intention of apponiting a "number of economists to act on the Canadian secretariat."

A Practical Affair

Mr. Thompson says he has no ide who those "economists" will be, but he is convinced that the coming conference is no place for theorists, and that none but practical men who can speak out of their own experience and show facts and figures, will have much chance against the hard-headed counsellors which the British government and those of the Dominions have selected.

"I am disappointed in the policy of the Canadian government in this matter," declares Mr. Thompson. "I do not wish to be pessimistic, but faced with such practical experts in industry as I know Britain and the other Dominions have on the job, all fighting for their own countries, I, personally, can hope for little for Canada if this country has to depend on theorists in industry."

Cannot Condemn Canada For Conserving Pulpwood

From Our Own Correspondent

MONTREAL.—Among the less indignant comments in American publications on the proposed embargo on pulpwood shipments from Canada is an editorial in "Editor and Publisher," which is a newspaperman's paper. The editorial calls attention to the need for immediate action on the part of American newspaper editors to force the filing by American officials of a vigorous protest at Ottawa. At the same time the editorial points out that the real solution of the pulpwood supply problem of the United States lies in reforestation of American forests "raped and ruined in a half-century of carelessness."

The editorial concludes:

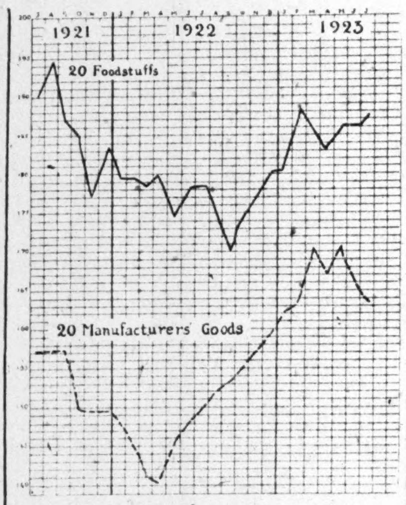
"The problem is our own and not Canada's and the latter can scarcely be condemned for guarding her own resources from the fate that has overtaken America's. Swapping diplomatic notes may tide us over a few years, but they won't keep our children from facing the dangers that lurk in a press whose existence is at the mercy of a foreign power, even though that power be our kin. Among the urgent needs of America to-day is 'more trees'."

Strike by shoe workers in Brockton, Mass., for wage increase and local arbitration, which had been in effect 11 weeks, called off after mass meeting of strikers had voted discontinuance.

Prices--Past and Future

By H. MICHELL,
Department of Economics, McMaster University.

The present position with regard to prices of wholesale goods in Canada is a curious and rather puzzling one. A glance at the accompanying chart will show that mnaufacturers' goods have dropped fairly heavily during the last two months while foodstuffs have risen again after the fall in March and April. With a big crop coming on there seems little prospect of the rise in foodstuffs continuing, and we shall probably see a fall in September and October, which may possibly be continued for some time.



With regard to manufacturers' goods the prospect is even more uncertain. The fall, which is very evident on the chart, is due entirely to what appears to be increasing weakness in six important commodities, namely, raw cotton, hides, silver, tin, coal oil, bituminous coal, and rubber. At the end of March cotton, spot upland middlings, was selling at 31.10c per lb., at the end of July at 22.45c per lb. Hides, city butcher green flats, were selling for 12c per lb. in February, to-day at 6c per lb.

Silver has dropped from 68.5c to 62.5c per oz.; tin from 54c to 46c per lb.; coal oil from 21c to 18c per gallon; bituminous coal from $7.45 to $6.53 per ton, and rubber, Para up-river fine, from 34.5c per lb. to 27.5c. To counterbalance these rises, wool, Ontario and Eastern low medium, has risen from 17c to 34c per lb.; iron, bar, from $2.75 to $5.00; steel billets from $40.00 to $52.00. So far as can be predicted, and it is little more than a guess, it looks very much as if we are going to see a progressive decline in prices of manufacturers' goods.

ADVANCE MILLIONS TO CANADIAN MARCONI

Announcement Should be Made Soon of Interest in Empire Wireless System

From Our Own Correspondent

MONTREAL. — Recently, it is learned, the British Post Office and the Marconi Company of Great Britain came to terms on the question of establishing an "All-Red" chain of wireless stations across the Empire and as soon as negotiations have been implemented by a final agreement, shareholders of the Marconi Wireless of Canada will be notified of their interest in the scheme.

Recently the large block of shares of the Canadian Marconi Company that had been held by the Canadian General Electric Company, was sold to the British Marconi Company who already held a substantial stock interest in the Canadian company. Plans provide that the Canadian company will be the Canadian link in the Empire wireless chain. Stations will be established at Vancouver and perhaps at Montreal, in addition to the present station at Glace Bay, to link London with the Orient. For the construction of these stations the British company will advance to the Canadian company some $6,000,000 by the purchase of a larger stock interest, it is at present planned. This will require an enlargement of the capital of the Canadian company.

No annual report has been isused for 1922 of the Marconi Wireless Company of Canada, but one will be forthcoming shortly. The annual meeting will be called soon, having been delayed to enable a final announcement of the plan regarding the chain of wireless stations under the supervision and with the support of the British government.

At the last annual meeting of the Canadian General Electric, announcement was made of the disposition of the Marconi shares when the president, A. E. Dyment, said:

"During the year Marconi's Wireless Telegraph Company, Limited, of Great Britain, which with your company owned the controlling interest in the Marconi Wireless Telegraph Company of Canada, Limited, intimated the necessity of a large expansion in the activities of the company, and that several millions of dollars would be required for this purpose. Your directors felt that as we were manufacturers, and not operators of public utilities, we should not join with such policy of expansion, although it seemed a necessary one from the standpoint of the Canadian Marconi Company, consequently negotiations were entered into with the British Company, and an arrangement was concluded whereby we disposed of our stockholdings to that Company for cash, and recovered certain manufacturing rights under our patents, which rights we had previously assigned to the Canadian Marconi Company. It will thus be seen that we have a real cash asset in our patent rights, yet we continue to carry them on our balance-sheet at one dollar."

New High Record for Woolworth Sales

NEW YORK.—July sales of F. W. Woolworth, were valued at $14,001,793. That represented an increase of 11.50 per cent. as compared with July, 1922, and brought the total sales for the first seven months this year to $96,703,862. That total was 15.62 per cent. larger than that of the first seven months of 1922, and established an absolutely new high record for the Woolworth system. The Woolworth Company, which started its organization with goodwill of $50,000,000 now carries goodwill at $30,000,000.

Tourist Traffic Will Suffer if Roads Are Not Made Safe

Some Suggestions of How to Deal With Auto Thieves, Bank Bandits and Motor Road-Agents to Prevent the Spread of Up-to-Date Crime

Tourist traffic is an increasing factor in business throughout Canada. Automobile thieves and motor road agents are a menace to this traffic. In the following article A. B. Barker, manager of the Toronto Clearing House, discusses methods to discourage the menace. He believes in physical punishment quickly administered rather than spectacular, drawn out trials and terms which are usually shortened as public sympathy replaces a demand for stern sentences. Mr. Barker as manager of the Toronto Clearing House knows the victims of the recent bank robbery intimately and his argument is also a suggestion of what should be done to deal with such daylight hold-ups.—Editor.

Both in Canada and the United States, it is being properly urged that a more serious view be taken of motor car thefts, and that punishment of the thieves when caught, be exemplary. The preliminary to many desperate crimes is the theft of an expensive car, and while some of the men who steal cars do it for the fun and excitement of the game, there are enough of those who steal cars for other criminal activities to warrant stern measures to stop the practice.

Not very long ago in this city, during an investigation into motor thefts, it developed that there was a club of young men in Parkdale, candidates for which, in order to be eligible for membership, had to steal an expensive car. They could practise on Fords and other low priced machines, but could not be admitted until they got away with a big car. All they were after was excitement, and the courts are inclined to let such culprits off with a warning, but this has no effect on others, and the practice still goes on. Some judges would like to have these youngsters whipped, but there appear to be some legal difficulties in the way unless the parents consent. There should, however, be no trouble, for if the parents had the choice of seeing the boy get a sound spanking, or a stiff jail term, they would prefer the former for their erring offspring.

As to the present epidemic of hold-ups on the highways the business interests of the country make it essential that such measures be taken with men convicted of the crime, that others will be afraid of the consequences, and the lash is the only thing to put the fear of God into this type of criminal. The result of its application to those caught will be unpleasant for them, and they will undoubtedly be broken and brutalized, as sentimentalists claim, but it will drive them out of the country, and the fear of similar punishment will prevent others taking up the same courses.

The business of the country demands the utmost protection to travelers on the roads if the motor tourist traffic is to grow. The province has spent enormous sums on roads, largely to encourage the tourist traffic, which admittedly produces satisfactory returns to every locality favored by tourists. Anything therefore which tends to discourage travelers react on the whole community in loss of profits.

Nothing will keep down road travel more than an impression that the roads are unsafe, and recent happenings are a poor advertisement for the country.

The question after all narrows down to a business proposition. If measures are not taken to disabuse the minds of criminals that Canadians are easy, the country is going to lose a lot of money. The next lot of hold-up men caught must be made an example of for the sake of the rest of the community. It will no doubt be rough on them, but when profits are at stake there is no room for sentiment. We need the money, and as for the crooks they invite the punishment deliberately, and have only themselves to blame if they get a full measure.

The Bank of Toronto

Dividend No. 168

NOTICE is hereby given that a DIVIDEND OF THREE PER CENT. for the current quarter being at the rate of TWELVE PER CENT. PER ANNUM upon the Paid-up Capital Stock of the Bank, has this day been declared, and that the same will be payable at the Bank and its branches on and after the FIRST DAY OF SEPTEMBER next to Shareholders of record at the close of business on the 10th day of August, 1923.

By order of the Board.

JOHN R. LAMB,
General Manager.

The Bank of Toronto,
Toronto, July 18th, 1923.

The Royal Bank of Canada

DIVIDEND No. 144

NOTICE is hereby given that a Dividend of Three Per Cent. (being at the rate of twelve per cent. per annum) upon the paid-up capital stock of this bank has been declared for the current quarter, and will be payable at the bank and its branches on and after Saturday, the first day of September next, to shareholders of record at the close of business on the 15th day of August.

By order of the Board.

C. E. NEILL,
General Manager.

Montreal, Que., July 17, 1923.

The Canadian Bank of Commerce

DIVIDEND No. 146

NOTICE IS HEREBY GIVEN that a dividend of three per cent. upon the paid-up capital stock of this Bank has been declared for the quarter ending 31st August, 1923, payable at the Bank and its Branches, on and after Saturday, 1st September next, to shareholders of record at the close of business on the 16th day of August, 1923.

By Order of the Board.

JOHN AIRD,
General Manager.

Toronto, 20th July, 1923.

BANK OF MONTREAL

NOTICE is hereby given that a DIVIDEND of THREE per cent., upon the paid up Capital Stock of this Institution has been declared for the current quarter, payable on and after Saturday, the FIRST day of SEPTEMBER next, to Shareholders of record of 31st July, 1923.

By order of the Board,

FREDERICK WILLIAMS-TAYLOR
General Manager.

Montreal, 20th July, 1923.

TIMBER AND PULPWOOD

Solid tract of 200,000 acres of Crown Grant land in British Columbia, carrying more than billion feet of timber, white pine, cedar, western hemlock, spruce and balsam mainly, very little fir and larch. Over half million cedar poles. About half timber spruce, balsam and hemlock. Low price. Will consider Vancouver or Winnipeg improved or Alberta or Saskatchewan farm lands as part payment.

JAMES A. NOWELL, Owner,
Globe Building, St. Paul, Minn.

QUEBEC POWER COMPANY

NOTICE is hereby given that at a meeting of the Board of Directors of Quebec Power Company, held at Quebec, on the 25th of July, 1923, a dividend of 10% on the Paid-up Common Stock of the Company was declared, payable 1st of August, 1923, to Shareholders of record at the close of business on the 25th of July, 1923.

It is provided that such dividend payment be discharged by the issue of 1,600 shares of 7% Preference Stock of Quebec Power Company at par, through the delivery to each holder of Common Shares of a principal sum in such Preference Shares equal to 10% of the par value of his holdings in Common Shares.

Fractional holdings issued in connection with such dividend will be adjusted by Aldred & Company, Limited, Room 604, Royal Trust Building, Montreal, at par, up to the close of busines on the 24th of August, 1923.

By order of the Board,

JAMES WILSON,
Secretary.

IMPERIAL OIL, LIMITED

DIVIDEND

NOTICE is hereby given that a Dividend of seventy-five cents (75c) per share has been declared by the Directors of Imperial Oil, Limited, and that the same will be payable in respect of shares specified in any Share Warrant of the Company within three days after the Coupon Serial Number Seventeen of such Share Warrant has been presented and delivered to:

The Royal Bank of Canada,
Toronto, Ont.,

or at the office of:

Imperial Oil, Limited,
56, Church Street,
Toronto, Ont.,

such presentation and delivery to be made on or after the first day of September, 1923.

Payment to Shareholders of record and fully paid up at the close of business on the 15th day of August, 1923 (and whose shares are represented by Share Certificates), will be made on or after the first day of September, 1923.

The books of the Company for the transfer of shares will be closed from the close of business on the 15th day of August, 1923, to the close of business on the 31st day of August, 1923.

By Order of the Board.

E. V. A. KENNEDY,
Secretary.

56, Church Street,
Toronto, Ont.
August 7th, 1923.

PROVINCE OF QUEBEC

CITY OF THREE RIVERS

Public notice is hereby given that the Council of the City of Three Rivers will receive until August 20th, 1923, at four o'clock P.M., at the office of the undersigned, Arthur Nobert, treasurer of the City of Three Rivers, written sealed tenders endorsed: "Tenders for the City of Three Rivers Bonds," for the purchase of said City of Three Rivers bonds, amounting to TWO HUNDRED AND FORTY THOUSAND FIVE HUNDRED DOLLARS ($240,500.00), issued for various purposes, under several by-laws duly approved according to law, viz:

A. By-law 438—$30,000.00 dated May 1st, 1923, maturing in thirty years from their date, bearing interest at the rate of 5½% per annum, payable semi-annually on the 1st day of May and of November in each year.

B. By-law 439—$74,500.00 dated May 1st, 1923, maturing in thirty years from their date, bearing interest at the rate of 5½% per annum, payable semi-annually on the 1st day of May and of November in each year.

C. By-law 439—$58,000.00 dated May 1st, 1923, maturing in twenty years from their date, bearing interest at the rate of 5½% per annum, payable semi-annually on the 1st day of May and of November in each year.

D. By-law 440—$24,800.00 dated May 1st, 1923, maturing in thirty years from their date, bearing interest at the rate of 5½% per annum, payable semi-annually on the 1st day of May and of November in each year.

E. By-law 440—$53,200.00 dated May 1st, 1923, maturing in twenty years from their date, bearing interest at the rate of 5½% per annum, payable semi-annually on the 1st day of May and of November in each year.

Both the principal of these debentures and the interest thereon are payable at the office of the Bank of Hochelaga, in the City of Three Rivers, or in the City of Montreal, or in the City of Quebec.

These bonds shall be issued in denominations at the option of the purchasers. Each tender must be accompanied by a certified cheque for an amount equal to one per cent. of the amount of the loan. The cheque of the tenderer whose offer is accepted shall be returned to him after the execution of his contract. The interest accrued on the bonds must be added to the price offered at the time of their delivery. The tenders will be considered at the public meeting of the Council of the City of Three Rivers, the 20th of August, 1923, at eight o'clock P.M., or so soon thereafter as the Council or one of its committees can do so. Tenders will be received separately for each of the items "A," "B," "C," "D," "E." The Council does not bind itself to accept the highest or any tender.

GIVEN at Three Rivers, this first day of August, nineteen hundred and twenty-three.

ARTHUR NOBERT,
Treasurer of the City of Three Rivers.

Ontario Steel Products Company Limited

Annual Report of the Board of Directors for the Year Ending 30th June, 1923

TO THE SHAREHOLDERS:

Your Directors have pleasure in reporting a year of progressive activity for all your Company's Plants, tonnage for all Companies being the largest in the Company's history. Competition, however, has been extremely keen, and various untoward circumstances have militated against profits commensurate with the turnover. For the first time in over thirty years our water-power at Gananoque failed us during the months of January, February and part of March, involving us in considerable additional expense for steam and electric power.

Your Directors are pleased to report a considerable improvement in the Horse-drawn Vehicle business during the past six months, with satisfactory profits from this Department, notwithstanding the fact that we were able to make substantial reductions in prices to our customers owing to the increased output and consequent lower costs.

Your Products entering into Building and Construction trades have also enjoyed an encouraging revival recently.

As outlined in our last Annual Report, a substantial sum was spent during the year on the replacement of equipment with installation of the latest design at several of our Works.

During the year we purchased $16,300 par value of our own bonds, and after retirement of $20,500 of such bonds on 1st of July last we hold a balance in the Treasury of $46,300, to be used for future Sinking Fund purposes. It should also be noted that we have disposed of practically all our outside investments, and that the securities now held by the Company are all in the form of Government, Municipal and our own bonds.

Working Capital shows $66,187 increase as compared with last year.

DIVIDENDS: Regular dividends have been declared upon the Preferred Stock during the past twelve months, and at a meeting of the Directors held 20th July, a dividend of 1% on the Common Stock was declared for quarter ended 30th June, payable 15th August to shareholders of record 31st July.

All of which is respectfully submitted.

On behalf of the Board of Directors,

W. WALLACE JONES, President.
W. T. SAMPSON, Director.

Gananoque, 14th August, 1923.

Consolidated Balance Sheet, 30th June, 1923

FIXED ASSETS:			
Real Estate, Plant, Power Rights and Goodwill			$2,207,411.38
LIQUID ASSETS:			
Cash		$ 60,340.45	
Bills and Accounts Receivable		253,037.43	
Inventories		459,224.38	
Securities:			
Sinking Fund Assets $46,300.00 O. S. P. Bonds	$40,800.25		
$56,206.30 Victory, Municipal and Public Utility Bonds	55,153.79		
Other Investments	1,000.00	96,954.04	869,556.30
DEFERRED CHARGES TO OPERATIONS:			
Advances, Unexpired Insurance, etc.			25,170.80
			$3,102,138.48
CURRENT LIABILITIES:			
Bills and Accounts Payable		$154,505.79	
Receiver-General of Canada, for Income Tax		14,816.88	
Bond Interest to 2nd July, 1923		14,535.00	
Preferred Dividend Payable 15th August, 1923		13,125.00	196,982.67
RESERVES:			
Special for Extraordinary Inventory Fluctuations		$ 50,000.00	
Bad Debts, etc.		41,528.90	
Depreciation		271,604.76	
Sinking Fund on Bonds		136,000.00	499,133.66
First Mortgage 6% Bonds due 2nd July, 1943		600,000.00	
Less Bonds redeemed by Sinking Fund		136,000.00	464,000.00
CAPITAL STOCK:			
7% Cumulative Pfd. Shares authorised and issued		750,000.00	
Ordinary Shares—authorised $2,000,000.00—issued		750,000.00	1,500,000.00
PROFIT AND LOSS ACCOUNT:			
Balance as at 1st July, 1922		413,100.09	
Add—Profit for year	$189,888.02		
Less—depreciation	60,465.96	129,422.06	
		542,522.15	
Less—Bond Interest	$29,070.00		
Preferred Dividends	52,500.00		
Sinking Fund	18,930.00	100,500.00	442,022.15
			$3,102,138.48

We beg to report that we have audited the Accounts of the Ontario Steel Products Co. Limited, for the year ended 30th June, 1923. We have obtained all the information and explanations required by us. We certify that in our opinion the above Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs, according to the best of our information and the explanations given to us, and as shown by the books of the Company.

McDONALD, CURRIE & CO.,
Chartered Accountants.

Montreal, 10th July, 1923.